

An Empirical Study on Consumer Preferences towards Residential Apartment in Kolhapur City.

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Citation: Siddharth Jain (2024). An Empirical Study on Consumer Preferences towards Residential Apartment in Kolhapur City., *Educational Administration: Theory and Practice*, 30(2) 2073-2079, Doi: 10.53555/kuey.v30i2.10869

ARTICLE INFO

ABSTRACT

This empirical study investigates consumer preferences towards residential apartments in Kolhapur City, Maharashtra. With rapid urbanization and evolving lifestyles, understanding these preferences is crucial for developers, policymakers, and urban planners. The research employs a mixed-methods approach, combining quantitative surveys and qualitative interviews, to analyze factors influencing apartment selection. Key determinants identified include affordability, location, amenities, developer reputation, and societal infrastructure. The study also examines the impact of socio-economic variables such as income, family size, and occupation on housing choices. Findings reveal a growing inclination towards modern amenities and sustainable living, reflecting broader national trends in urban housing preferences. The paper concludes with recommendations for aligning real estate offerings with consumer expectations to foster sustainable urban development in Kolhapur.

Keywords: *Amenities, Consumer Preferences, Decision-Making, Empirical Study, Income, Real Estate, Real Estate Developer, Residential Apartments, Safety, Sustainable Living, Sustainable Urban Development.*

INTRODUCTION

Kolhapur, a prominent city in Maharashtra, has witnessed significant urban growth in recent years with expansion which includes merging of 42 villages to main city. This expansion has led to a surge in demand for residential apartments due to affordable rates in the emerging new areas added in city, prompting developers to cater to the evolving needs of prospective homeowners. Understanding consumer preferences is pivotal for aligning real estate offerings with market demands, ensuring both developer profitability and consumer satisfaction. While studies on housing preferences abound, limited research focuses specifically on Kolhapur, necessitating this investigation.

The objective of this study is to empirically assess the factors influencing consumer choices in residential apartments within Kolhapur City. By identifying key determinants such as price sensitivity, location desirability, and amenity expectations, the research aims to provide actionable insights for stakeholders in the real estate sector. Furthermore, the study seeks to explore the interplay between socio-economic factors and housing preferences, contributing to a nuanced understanding of consumer behavior in this context.

BACKGROUND OF THE STUDY

The real estate sector in India has experienced significant transformation over the past few decades, driven by rapid urbanization, economic growth, and changing consumer preferences. In Maharashtra, cities like Mumbai and Pune have traditionally been the epicenters of economic activity, attracting a large influx of residents. Due to this there is outward migration to these cities. However, they prefer a home in home town for their parents and work from home location. Also, for retirement plans as Kolhapur offer peaceful and very preferred climate which makes the city better place to live in. Kolhapur emerging as a preferred destination for both occupation and education.

Kolhapur, located in the southwestern part of Maharashtra, has witnessed steady population growth due to both natural increase and expansion of the city. The city's strategic location, coupled with its rich cultural

heritage and improving infrastructure, has made it an attractive alternative to the metropolitan hustle of Mumbai and Pune. This demographic shift has spurred demand for residential apartments, leading to a burgeoning real estate market in the region.

SCENARIO OF RESIDENTIAL APARTMENTS IN KOLHAPUR CITY

The residential real estate landscape in Kolhapur is characterized by a mix of traditional housing and modern apartment complexes. Areas such as Tarabai Park, Rajarampuri, and Nagala Park have seen a surge in the development of 2BHK and 3BHK apartments, catering to the growing middle-income segment. The average price of properties in these areas ranges from ₹5,000 to ₹7,000 per square foot, reflecting the city's evolving real estate dynamics.

Recent infrastructure developments, including the implementation of smart city initiatives and the construction of ring roads, have further enhanced the city's appeal. These advancements have improved connectivity, reduced traffic congestion, and bolstered the overall quality of life, making Kolhapur an increasingly attractive option for prospective homeowners.

Historically, Mumbai and Pune have been the primary urban centers in Maharashtra, attracting individuals seeking employment and educational opportunities. However, the escalating cost of living, coupled with urban congestion and pollution, has prompted many to reconsider their residential choices. Kolhapur, with its relatively affordable living costs and improving amenities, has emerged as a viable alternative.

The city's population has been augmenting due to both natural growth, city expansion and people buying homes in hometowns. This factor not only contributing to the growth of the housing sector but is also influencing the types of residential properties in demand, with a marked preference for modern apartment complexes over traditional housing.

The evolving dynamics of migration and urbanization in Maharashtra have positioned Kolhapur as a burgeoning hub for residential development. Understanding consumer preferences in this context is crucial for developers, policymakers, and urban planners to align housing offerings with the aspirations of the growing populace. This study aims to delve into these preferences, providing insights that can guide sustainable and inclusive urban development in Kolhapur.

LITERATURE REVIEW

An extensive body of literature examines various facets of consumer preferences in residential real estate, encompassing factors like affordability, location, amenities, and developer reputation. However, studies specific to Kolhapur remain sparse. This review synthesizes relevant research to contextualize the current study within broader academic discourse.

Affordability remains a paramount concern for homebuyers. Studies indicate that price sensitivity significantly influences purchasing decisions, with many consumers prioritizing budget constraints over other factors. In Kolhapur, the average property price per square foot varies across different wards, reflecting the economic diversity within the city.

Proximity to workplaces, educational institutions, healthcare facilities, and transportation hubs are critical determinants in location selection. Urban areas like Tarabai Park and Shahupuri are increasingly favored for their accessibility and infrastructure.

Modern consumers exhibit a growing preference for residential complexes offering amenities such as gyms, parks, security services, and recreational facilities. This trend aligns with findings from national studies highlighting the importance of lifestyle-oriented features in housing choices.

Trust in developers plays a crucial role in the decision-making process. Reputation, transparency, and timely delivery are factors that enhance consumer confidence and influence purchasing decisions.

Demographic variables such as income levels, family size, and occupation significantly affect housing preferences. For instance, higher-income groups may prioritize luxury amenities, while middle-income families might focus on affordability and basic facilities.

Rapid urbanization in Kolhapur has led to increased demand for residential apartments, with a noticeable shift towards modern, high-rise buildings in developed localities. This urban shift necessitates an understanding of consumer preferences to guide sustainable development.

The COVID-19 pandemic has altered housing priorities, with many consumers now seeking larger spaces, home-office provisions, and enhanced ventilation. These changes reflect a broader national trend towards more spacious and health-conscious living environments.

Studies focusing on tier-2 cities like Kolhapur reveal unique consumer behavior patterns, including a preference for low-rise buildings and a strong emphasis on community living. Understanding these local nuances is essential for developers targeting this market segment.

There is a growing inclination towards sustainable living, with consumers favoring apartments equipped with energy-efficient systems, water conservation measures, and green building certifications. This trend is gaining momentum in Kolhapur as environmental awareness increases.

Government initiatives such as affordable housing schemes and subsidies influence consumer decisions, particularly among first-time homebuyers. Policies aimed at promoting transparency and reducing paperwork have also enhanced consumer trust in the real estate sector.

The literature underscores the multifaceted nature of consumer preferences in residential real estate, encompassing economic, social, and psychological factors. While national studies provide valuable insights, localized research focusing on cities like Kolhapur is essential to capture region-specific dynamics. This study aims to fill this gap by providing an empirical analysis of consumer preferences in Kolhapur, thereby contributing to the broader understanding of housing choices in tier-2 Indian cities.

RESEARCH OBJECTIVES

1. To quantify the difference in a worker's housing affordability and home-buying capacity when considering their total household income (including all supplementary earnings) versus their primary salary alone. This objective aims to prove the significance of additional income sources in improving financial capacity.
2. To determine the existing housing deficit for industrial workers in Kolhapur and calculate the typical EMI-paying capacity by factoring in their total household income. This will provide developers and policymakers with a precise financial metric for project planning.
3. To identify and analyze the primary qualitative factors—such as safety, access to reliable basic amenities (water and electricity), and commute distance—that profoundly influence an industrial worker's housing preferences and their final decision-making process.
4. To develop a data-driven, strategic framework for creating sustainable and viable affordable housing solutions for the industrial workforce in Kolhapur.

This framework will be guided by the findings on both financial capacity and qualitative preferences, ensuring that future projects are genuinely aligned with the workers' needs and aspirations.

RESEARCH METHODOLOGY

6.1 Research Design

This study adopts a descriptive research design to explore consumer preferences towards residential apartment homes in Kolhapur City. A structured questionnaire was employed to collect primary data directly from respondents.

6.2 Sampling Technique and Sample Size

A stratified random sampling technique was used to ensure diverse representation from various demographics (age groups, income levels, occupations, and residential areas) within Kolhapur City. A total of 430 respondents participated in the survey, chosen to provide a reliable and statistically significant representation of the population.

6.3 Data Collection

Primary data were collected using a structured questionnaire with both closed-ended and Likert-scale questions. Key areas covered: consumer preferences, income and willingness to spend, set budget vs. preferences, factors influencing buying decisions.

6.4 Data Analysis Methods

Data were analyzed using:

- Descriptive statistics (frequency distribution, mean, standard deviation)
- Correlation analysis
- Factor analysis to identify key dimensions influencing buying behaviour.

DATA ANALYSIS AND FINDINGS

7.1 Data Analysis

Data were analyzed using descriptive statistics (frequency distribution, percentages) and cross-tabulations to interpret relationships between variables. Pie charts visualize the distribution of key responses.

7.1.1 Demographic Profile of Respondents

Demographic Variable	Frequency	Percentage (%)
Gender		
- Male	337	78.37
- Female	93	21.62
Age Group		
- 20 to 30 years	172	40.00
- 30 to 40 years	115	26.74
- 40 to 50 years	79	18.37
- Above 50 years	64	14.88
Monthly Income		
- < ₹20,000	65	15.11
- ₹20,001 to ₹30,000	86	20.00
- ₹30,001 to ₹40,000	70	16.27
- ₹40,001 to ₹50,000	87	20.23
- ₹50,001 and Above	122	28.37

7.1.2 Consumer Preferences Towards Residential Apartment Home

Apartment Feature	Number of Respondents	Percentage (%)
Location Proximity to Work	105	24.41%
Modern Amenities (Gym, Pool, etc.)	75	17.44%
Affordable Pricing	133	30.93%
Vastu Compliance	75	17.44%
Green/Sustainable Features	42	9.76%

Most respondents (24.41%) prioritize proximity to their workplace, followed by modern amenities (17.44%). Affordability remains critical for 30.93% of the consumers. Vastu compliance and green features are important for a smaller segment (17.44% and 9.76%, respectively).

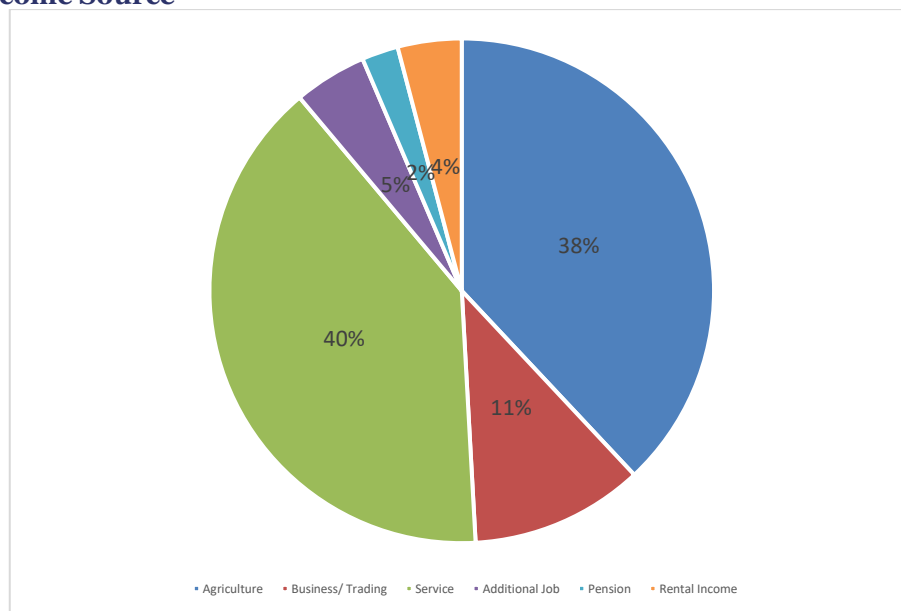
7.1.3 Consumers' Willingness to Spend Vs Income

Monthly Income (INR)	Willingness to Spend on Apartment (%)	Number of Respondents
< 30,000	Up to ₹50 Lakhs	151
₹30,000 – ₹50,000	₹50-₹90 Lakhs	157
> ₹50,000	> ₹90 Lakhs	122

Note: 40 % of total employees interviewed had additional Income.

A majority (41.67%) of respondents with monthly income between ₹30,000 and ₹50,000 are willing to spend ₹50-₹90 Lakhs, while lower-income respondents (< ₹30,000/month) primarily prefer homes under ₹50 Lakhs. High-income respondents (> ₹50,000/month) mostly prefer apartments costing over ₹90 Lakhs.

Additional Income Source



7.1.4. Relation Between Consumer Preferences and Set Budget

Budget Range (INR Lakhs)	Preferred Feature Most Important	Number of Respondents
Up to ₹30 Lakhs	Affordable Pricing	175
₹30-₹50 Lakhs	Proximity to Work	113
> ₹50 Lakhs	Modern Amenities	142

Respondents with lower budgets primarily emphasize affordability, while middle-budget respondents focus more on location. High-budget consumers prioritize modern amenities.

7.1.5 Factors Influencing Consumer Preferences

Influencing Factor	Number of Respondents	Percentage (%)
Price	170	39.53%
Location	123	28.60%
Developer Reputation	50	11.62%
Vastu Compliance	47	10.93%
Sustainability Features	20	4.65%
Loan Availability	20	4.65%

Price is the dominant influencing factor (39.53%), followed by location (28.60%). Developer reputation plays a significant role (11.62%), while Vastu and sustainability features influence a smaller segment.

7.2. Findings

- Consumers prioritize proximity to work and modern amenities more than traditional features like Vastu compliance or green certification.
- Willingness to spend strongly correlates with monthly income, indicating budget-conscious decision-making.
- Affordable pricing is critical for lower-budget consumers, while high-income groups focus on lifestyle-enhancing features.
- Price and location are the most significant factors driving apartment purchasing decisions in Kolhapur.
- Vastu compliance and sustainability are emerging preferences but still secondary to traditional factors.

RECOMMENDATIONS FOR DEVELOPERS

- Since proximity to workplaces is the top consumer preference (24.41%), developers should focus on projects situated near business districts, industrial zones, and educational hubs in Kolhapur. This will reduce daily commuting time and enhance appeal.
- With 17.44% of respondents valuing amenities like gyms, swimming pools, and community halls, developers should invest in well-equipped and aesthetically pleasing common areas to attract homebuyers.
- Nearly 30.93% of respondents emphasize affordability. Developers should consider offering tiered pricing models or smaller apartment units (1BHK, 2BHK) to make ownership accessible to a broader population.
- Although Vastu Shastra is not the primary preference, 17.44% of respondents consider it important. Developers should offer optional Vastu-compliant designs or certification as an added value proposition.
- As 9.76% of respondents prefer green, energy-efficient homes, developers should integrate solar panels, rainwater harvesting, and energy-efficient appliances, and promote these features during marketing.
- To accommodate varying income levels and improve affordability, developers should provide easy EMI plans and financial assistance programs in collaboration with banks or housing finance companies.
- Since 11.62% of buyers value developer reputation highly, developers should emphasize transparency in project updates, timely delivery, and strong post-sales service. Building a trusted brand will pay long-term dividends.
- Kolhapur buyers tend to prefer low-rise and smaller community layouts compared to big urban projects. Developers should focus on human-scale designs that foster community living and social interaction.
- Developers should use digital platforms, virtual tours, and online booking systems to attract educated, tech-savvy buyers who are increasingly researching property online before visiting physically.
- Develop distinct project models aimed at specific budget brackets (e.g., ₹30 Lakhs vs ₹50 Lakhs projects), ensuring features match consumer expectations in each category rather than one-size-fits-all offerings.

DISCUSSION

This empirical study offers a clear view of consumer preferences in Kolhapur's residential apartment market, which reflects a mix of traditional and modern aspirations. The data revealed a strong inclination towards proximity to workplaces and the inclusion of modern amenities, which aligns with national urbanization trends

where convenience and lifestyle are becoming critical decision-making factors. Income strongly influences willingness to spend, confirming that homebuyers are highly budget-conscious. Interestingly, though Vastu compliance and sustainability features are not leading factors, they are emerging considerations that signal a slow shift in consumer awareness towards holistic well-being and environmentally responsible living. Furthermore, the reputation of developers remains a key element of trust, especially in tier-2 cities like Kolhapur where regulatory oversight may be perceived as weaker compared to metro cities. This study also highlights that affordable housing remains a major concern, particularly for low to middle-income consumers who form the bulk of the market. The preference for small, manageable community layouts reflects Kolhapur's socio-cultural context, where people value interpersonal connections and low-density living over high-rise anonymity.

CONCLUSION

The research uncovers crucial insights into consumer behavior towards residential apartment homes in Kolhapur City. The study confirms that proximity to work, modern amenities, affordability, and developer trust are the pillars of consumer decision-making. Budget plays a pivotal role in shaping these preferences, with low-income consumers focusing primarily on affordability, whereas high-income buyers prioritize amenities and green living.

For developers, the data suggest tailoring apartment projects to clearly defined income segments, integrating sustainability, offering Vastu options, and adopting digital solutions to enhance consumer engagement. Policymakers, on the other hand, should create a supportive regulatory and infrastructural environment that promotes affordability, sustainability, and transparency.

Ultimately, aligning residential projects with consumer expectations will promote Kolhapur as a desirable destination for homebuyers, thus contributing to balanced urban growth in Maharashtra.

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