



Factors Influencing Housing Purchase Decisions Of New Generations In Chennai, India

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ARTICLE INFO ABSTRACT

Buying a house is considered as the main accomplishment for an individual since it is the most costly things individuals can purchase and includes a lot of thought too. This study has a goal to explore the variables affecting new generation home buy choice in Chennai, India. The reasonable structure created in view of past writing and afterward adding relative's impact as another variable thinking about that Indian individuals has collectivist culture. In view of polls gathered from 159 respondents of housing purchasers in Chennai city show that location, developers, structural, family members and financial factors emphatically impact new generation buy choice towards accommodation in Chennai. In the interim the other two variables, Property Designer and Relative's Impact, are not persuasive. The new generation's behavior and preferences when it comes to purchasing a home in Chennai are better understood thanks to this research.

Keywords: Consumer Behaviour, Housing Purchase Decision, New Generation, Real Estate.

Introduction

Housing is viewed as one of the main thing as the need might arise for everybody (Maslow, 1943). As a spot to live, lodging should have the option to give solace to the inhabitants (Khan et al., 2017). According to Thaker and Sekaran (2016), purchasing a home is not an easy process because it involves major financial decisions and a long-term commitment that will impact cash flow. Purchasing a house is likewise a multi-layered process because of the contribution of numerous thought factors (Wang and Li, 2006) like area (Kauko, 2006), primary (Opoku and Abdul Muhmin, 2010), notoriety of the property engineer (Kivett (1988), Urbany et al. (1989) and Bady et al. (1998) taken from Sundrani (2017)). Different investigations directed by Anastasia and Suwitro (2015); Reed and Plants (2006); Adair et al., (1996); Daly et al. (2003); Tan (2010); Zeng (2013); Saw and Tan (2014) mentioned financial, location, property developer, and structural factors as important factors that influence housing purchase decisions, but none of them took into account the influence of family members. A significant level navigation, for example, lodging buy ordinarily produced by joint independent direction (Krampf et al, 1993). The husband and wife jointly decide to purchase housing, just like they do with big-ticket purchases. Furthermore, guardians of companions can likewise influence home buy dynamic cycle. Kids likewise have a roundabout impact of the lodging buying for guardians to expect what's in store needs (Duty and Lee, 2004).

Chennai, which used to be called Madras, is the fourth largest city in India. It is the most important city in south India and the capital of Tamil Nadu state. It is on the north-eastern edge of India. This city is referenced as 'Passage toward the South' situated on the beach front area of Inlet of Bengal. During the time that the British established Fort Saint George, the city was broken up into several villages. Later it has merged encompassing towns and town, like Mylapore, Triplicane, and Egmore. Chennai has 350 years of age history tracing all the way back to the English period.

Chennai market comprises of flexible qualities of purchaser who have various profiles. The majority of the Chennaians fall into the middle class and work for various corporate. They are looking for homes with values around Rs. 30-50 Lakh. This could be reasonable to them comparative with their pay and reimbursing capacities. Next significantly moving private properties in Chennai market is worth between Rs. 50 – 70 Lakh. The purchasers of this classification likewise working class working class that stood firm on Top administration

footings in their hierarchical order. This classification of purchasers likes to purchase 3 BHK or spending plan Manor houses in the city or rural regions. After these classifications private properties which cost Rs. 70 - 100 Lakh and cost of Rs. 1 Crore to 2 Crores worth properties looked for by the purchasers from the upper working class and upper-class financial specialists in the Chennai market. These purchasers look for an extravagance condo in focus city regions or restrictive individual manors. Pitifully 10% of purchasers search for private houses in Rs. 10 - 20 Lakh spending plan. They are utilized in the low ordered progression in their occupation with restricted pay. These purchasers are family unit or single with guardians looking for properties in low spending plan particularly rural where they can benefit private homes in low spending plan. This study will therefore examine the influence of financial, location, property developer, structural, family members, and other factors on the new generation's housing purchase decision. The consequences of this study are supposed to help further examination and can be a thought for the connected government organization and the confidential area in forming approaches and systems of lodging provisioning in Chennai, India.

Literature Review

According to Kotler and Armstrong (2014), a stage in the decision-making process known as the purchase decision occurs when a person actually purchases the product. The buy choice cycle requires a match between the necessities and the items offered and ought to likewise have passed the intercession stage from others both decidedly and adversely (Kotler and Keller, 2016). Every Buyer has an alternate buying choice impacted by their judgment to the significance of a quality (Kotler and Armstrong, 2007). Customers can likewise utilize various rules in assessing an item to find which item that suits best to their requirements (Blackwell et al., 2006). Buy choice can likewise be characterized as when an individual has paid an item or has promised to buy an item at a particular cost for a specific period (Quester et al., 2011). Thaker and Sakaran (2016) put it this way: "Before deciding to make a purchase, a series of events that arise from understanding the purpose of the purchase and measuring related factors occur."

According to Jamil (2015), a person's financial ability includes things like income, loans, interest rates, and payments. Credit is a responsibility between purchasers, designers and banks (Saw and Tan, 2014) and the bank will repay to the engineer in view of the structure fruition progress. (Jan et al., 2016). Portion period and the capacity to pay portion addressed by month to month pay are the monetary variables affecting the lodging buy choice (Li and Chiang, 2014). In the examination of Adair et al. (1996) and Daly et al. (2003) ordered loan costs, contract credit limit, regularly scheduled payment and advance reimbursement period as the monetary elements influencing the lodging buy choice. Low-loan fees in type of delicate credits are the monetary element which unequivocally impacts youthful buyers' buying power (Rahadi et al., 2015). Anastasia and Suwitro (2015) found that monetary properties affect the lodging buy choice. Reed and Plants (2006) additionally conveyed a few monetary qualities, for example, financing costs of the credit, month to month pay of the family, lodging costs and the capacity to get the office of supporting. Study led by Kueh and Chiew (2005) additionally referenced that cost is the main thought figure for lodging purchasers Kuching, Malaysia.

Mariadas et al. citing from Zrobek et al. (2015) characterized area as a put where demands of solace and openness of comfort are satisfied to fulfill their inclination. The most crucial factor in determining the value of a residential property is its location. To put it another way, location is one of the most important things to think about when making a decision to buy a house (Mariadas et al. as Cited from Aliyu et al., 2013). Area can be analyzed by estimating the availability of the property to the downtown area, business focus, school, and mall. In the future, property in a favorable location will yield a higher profit return and a higher value (San, 2016). Daly et al. (2003) We likewise affirmed that area had turned into a significant inclination in lodging buy choice in Australia, the UK and Ireland. Furthermore, the phase of life cycles like the degree of pay, age, and the situation with conjugal could impact area inclination. (2016 (Jayantha and Lau).

Rahadi et al. (2013) expressed that property designers would acquire a decent standing and brand on the off chance that they can address client issues, carry on with work expertly, on-time item conveyance, keep item quality, and give great client service through phenomenal after-deals administration. Every designer positively has various attributes regarding experience, notoriety, item conveyance and the nature of the eventual outcome (Thaker and Sakaran, 2016). Gajera and Malek (2018) said that a positive designer notoriety is significant in upper hand. Mendrofa et. According to al (2017), a reputable property developer will help prospective buyers gain confidence in the residential building they will occupy.

Primary characterized as confidential private spaces involve the family room size, the kitchen size, the quantity of washrooms and different rooms. (Opoku and Abdul Muhmin, 2010). In the mean time Saw and Tan (2014) referenced that primary variables comprise of the quality and the property's state of being.. Saw and Tan (2014) referred to from Arimah (1992); Fierro et al. (2009); Laakso and Loikkanen (1995); Tan (2012); Tiwari and Parikh (1998); Love and Tse (1999); Wilhelmsson (2000) characterized that underlying variables, as a rule, are the family room size, lounge area size, the structure size, and the quantity of restrooms and different rooms. In accordance with that definition, Hofman et al. (2013) likewise expressed that primary credits incorporate the

actual looks and conditions, usefulness, attributes, and nature of the property that not entirely settled by the age of the property. In the mean time as far as size, there is a typical discernment among occupant that claiming a greater home method having higher status and images (Jun, 2013). Yet, then again, Saw and Tan (2014) expressed that more modest home, for example, pads and lofts are more famous and appealing.

Toll and Lee (2004), citing from Lawson et al. (1996) characterized family as a gathering comprising of no less than two individuals who have blood connection, limited by marriage or reception into one family. Kotler and Keller (2012) expressed that the outside factor like family can assist with foreseeing conduct and arranging methodology of possible customers. Family jobs and impacts comprise of the qualities of the family, the situational, and the person. (Toll and Lee's, 2004). Connection between relatives is huger contrasted with little gatherings like companionship and associates; as a result, family members play a crucial role in making decisions (Levy and Lee, 2004). Rositer (1978) referenced that the impact of family in navigation can be recognized into two things. Initial, an immediate impact in view of the immediate requirements of the leader and second, a circuitous impact while somebody considering the other relative's necessities in settling on a choice.

Hypotheses

H1. Financial has an influence on housing purchase decision.

H2. Location has an influence on housing purchase decision.

H3. Property Developer has an influence on housing purchase decision.

H4. Structural Attributes have an influence on housing purchase decision.

H5. Family Member's Influence has an influence on housing purchase decision.

Methodology

This examination utilizes 5 Likert scale polls with a scope of replies from unequivocally differ to emphatically concur (Saunders et al. 2012) to measure all relevant factors using various instruments: buy choice, monetary, area, property designer, primary and relative's impact.

Information of this exploration gathered utilizing accommodation simple random strategy was through web-based polls. A total of 159 new generation from all over Chennai City participated in the data collection process. There are two parts to the questionnaires in this study. The type, the location, and the respondent's length of stay in the house were the subjects of the first section. The last part is the estimation questions addressed by choosing the proper scale given.

Data

Information will be examined utilizing SPSS through a few phases of investigation including build legitimacy test, unwavering quality test, multicollinearity test, linearity test, ordinariness test and theory demonstrating through different relapse examination. The construct validity test was carried out to ensure that each instrument has a KMO value greater than 0.6 and a component matrix value greater than 0.5 (Hair, 2014). The reliability test that is done to make sure that all of the variables are reliable because their Cronbach's Alpha value is higher than the minimum that is acceptable (Hair, 2014). Multicollinearity test, linearity test, and ordinariness test is the old style presumption test. Great information doesn't run into multicollinearity as it has the resilience worth of more than 0.1 and the VIF worth of under 10, meets the linearity demonstrated by an importance worth of under 0.05, and satisfies the ordinariness due to its most outrageous contrasts outright worth of more than 0.05. The last step is different relapse investigation to demonstrate the speculation system made. A speculation of positive connection acknowledged whether it has a huge worth of under 0.05 and positive unstandardized beta coefficient.

Data Analysis

Construct Validity Test and Reliability Test

The build legitimacy test results show that all instruments in this review are substantial as they have KMO worth and Bartlett's Test values above 0.6 with importance esteem (sig.) under 0.05 (Hair, 2014). The element stacking esteem is more than 0.5 so the instrument likewise has a decent connection with the deliberate variable (Hair, 2014). Hence all instruments utilized in this study are substantial. Because there was no missing value and each variable had Cronbach's alpha values above 0.60 (Hair, 2014), they can also be used in this study with confidence. All of the independent variables pass the classical assumption test with a significance level of 0.000, approach normality with Kolmogorov-Smirnov with most extreme differences greater than 0.05 and skewness and kurtosis less than 1.96.

Table 1: The Result of Validity and Reliability Test

Variable	Item	KMO and Bartlett's Test		Factor Loading	Cronbach's Alpha
		KMO Measure of Sampling Adequacy.	Sig.		
Financial (FIN)	FIN1	0.616	0.000	0.852	0.731
	FIN2			0.896	
	FIN3			0.704	
Location (LOC)	LOC1	0.742	0.000	0.761	0.806
	LOC2			0.877	
	LOC3			0.826	
	LOC4			0.596	
	LOC5			0.686	
Property Developer (DEV)	DEV1	0.749	0.000	0.835	0.898
	DEV2			0.907	
	DEV3			0.884	
	DEV4			0.879	
Structural Attribute (STR)	STR1	0.718	0.000	0.923	0.892
	STR2			0.937	
	STR3			0.867	
Family Member's Influence (FAM)	FAM1	0.624	0.000	0.791	0.645
	FAM2			0.679	
	FAM3			0.817	
Purchase Decision (DEC)	DEC1	0.748	0.000	0.810	0.804
	DEC2			0.818	
	DEC3			0.720	
	DEC4			0.841	

The investigation of multiple regression uses Purchase Decision as the dependent variable and involves Financial, Location, Property Developer, Structural Attribute and Family Member's Influence factors as independent variables. Table 2 illustrate that the Structural Attribute has the strongest persuade on the purchase decision with a highest value of 0.207 pursued by Location (0.218) and Financial (0.118). For now, the other two factors, Property Developer and Family Member's Influence do not significantly influence the purchase decision as their significance value of more than 0.05.

Table 2: Result of Multiple Regression Analysis

Hypothesis	R ²	Unstandardized Beta	Std. Error	t	Sig.	Conclusion
H1 : FIN→DEC	0.270	0.118	0.056	2.126	0.035	Supported
H2 : LOC→DEC		0.128	0.055	2.316	0.022	Supported
H3 : DEV→DEC		0.046	0.450	1.033	0.303	Not Supported
H4 : STR→DEC		0.207	0.054	3.816	0.000	Supported
H5 : FAM→DEC		-0.008	0.051	-0.161	0.872	Not Supported

Note : Significance Level = $p < 0.05$

Findings of the Study

This study has found that financial, location and structural significantly influence the new generation's housing purchase decision. New generation generally finances their house using home/apartment loans. The outcomes additionally found that the term of instalment put the most noteworthy situation in monetary variable followed by the cost and advance loan fees. The cost of lodging connected with the degree of buying capacity since the shopper's not entirely set in stone by the way of life and the capacity to address toward cost advertised. Inspirational direction alludes to the craving of people to use fulfilment and to diminish disillusionment. On the opposite side, esteem direction alludes to regulating guidelines that control individual decisions and needs founded on the distinctions of necessities and objectives.

Location is one of the factors that have a significant influence on housing purchase decision of the new generation. Cronbach's Alpha worth shows that area is the second most significant variables impacting lodging buy choice of the new age in Chennai City. As the improvement of incorporated public transportation mode, more private items are presented by designers whose positions are near open transportation modes, for example, the passenger train stations. The consequence of the review guaranteed that the nearness to public transportation is a significant thought figure terms of area. A good location is insufficient; New Yorkers are more likely to reside near public transportation options.

Structural Attribute is the most persuasive variables in lodging buy choice since it has the most noteworthy unstandardized coefficient beta worth. The structure size is the super new thought in underlying setting followed by the land size and the quantity of rooms (for example room, restroom, kitchen, and lounge).

Meanwhile the Property Developer was found doesn't impact the lodging buy choice of the News generation. This may be conceivable in light of the fact that there additional designers are offering private items and the buyers in Chennai. To put it another way, the younger generation does not think about whether to buy a home from a large or small developer.

According to the findings of the study, the new generations' decision to purchase housing is not influenced by family members. Despite the fact that Chennai City individuals embrace the way of life of community, it just doesn't occur to new ages, particularly in regards to lodging buy choice.

Limitations of the Study

The first limitation of this study is that the majority of respondents resided in residential areas of Chennai City. The consequences of the review will give a more thorough perspective on the information by adding more examples gathered from other more urban communities in India. The second is the absolute quantities of respondents in this concentrate just comprise of 159 respondents which may not impeccably address the whole new generation populace in Chennai. Further review might think about expanding the quantity of respondents to advance the information. Last, the model utilized in this study gets a moderately little R square worth of 0.270 so it is important to search for different factors that impact private buy choices on new generation to come by additional exact outcomes. Hence, it is proposed to the further review might add different variables, for example, advancement program and sales rep factor, connected with their impact in lodging buy choice to accomplish higher R square worth.

Conclusion

This study conducted to find out the influence of financial, location, property developer, structural attribute and family member factors toward new generation's purchase decision. The results show that structural attribute is the main thought in the new generation's housing purchase decision followed by location and financial. In the milieu of structural attribute, the building size is the most important thing to the new generation followed by land size and the number of rooms. In the span of location, the distance to the public transportation modes is the most important factor followed by the distance to toll road access, shopping centers, schools, and hospitals. In phrase of financial, the instalment period is the most important for the new generations followed by the price and the interest rates of the home loan. The first two factors, structural attribute and location which closely related to the physical occurrence of the housing, have the greatest influence on new generations housing purchase decision than financial. This situation might be based by new generation behaviour that tends to make spontaneous purchases that pay more attention to style and quality rather than prices related to financial factors (Lissitsa & Kol, 2016). For the moment the property developer and family member's influence factors do not influence the new generation's housing purchase decision entail that there is a shifting in new generation's behaviour evaluated to the previous generation. The results of this study gainsay the collectivist culture of Indian people who tend to ask family and close friends in making any decisions. New generations have a propensity to get in a row from the internet and social media (Moore, 2012) rather than asking to their family members. They also begin to depart behind the Marxist culture and shift to the uniqueness (Mangunjaya, 2010).

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