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From the EDITOR IN CHIEF's Desk……..

"You don't write because you want to say something; you write because you have got something to say", ruminating on these words I am proud to present to you the second issue of the fifth volume of our Bi-Annual management journal ACUITAS. Our objective is to provide platform to all those authors who would like to share their research work on varied aspects of management.

I duly acknowledge the support, proper assistance, motivation received from our patrons, advisory board and editorial board. I also duly acknowledge all the contributors of research papers included in the journal.

Out motive is to publish the most excellent research papers in management and we wish to provide 'ACUITAS' as a vehicle for the same. Your suggestions for further improvement of our journal are always welcome. We strive for increased accountability and all concerns and suggestions can always be directed to me.

Looking forward for a long term association with you all!

Thank you.

Warm Regards,

Dr. SudhirFulzele

Director, DAIMSR

FOCUS

It gives me immense pleasure to articulate that our journal-ACUITAS is well adorned by the internationally acclaimed academician, industrialists, researchers, scientist and academic administrators as members of the Editorial advisory board.

We present the second issue of the fifth volume of our bi-annual management journal 'ACUITAS' with great joy. This issue consists of four papers and one case study. The papers are from the fields of Financial Management, Marketing Management and a case study from Operations Management.

The first paper, '**Al Foaa'h Dates Factory: Looking Forward-Case Study by Professor Khalid Alrawi and Dr. Ahmed Alrawi and Mr. Waleed Alrawi, MBA,** provides a future perspective about how one of the UAE's biggest date factory can move forward.

Our second paper has been authored by, '**Dr. Rachana Datey, PhD**' titled ' **Customer Relationship Management Journey Redefined – Technology Driven Banking'** which analyzes how the usage of technology in banking has benefitted the customer experience.

The third paper authored by ' **Dr. Kalpesh P. Prajapati**' is titled '**Business Potentiality and Awareness of Investors Towards Real Estate Investment at Ahemdabad City**'; an in-depth analysis of how the real estate market at Ahemdabad is working.

Our fourth paper is authored by '**Dr. D. Prasanna Kumar and Prof. K. Venkateswara Raju**' and is titled '**Perceptions of Smartphone Users Using Smartphones with Android OS in Andhra Pradesh**'which discusses the perception of smartphone buyers.

CONTENTS

BUSINESS POTENTIALITY AND AWARENESS OF INVESTORS TOWARDS REAL ESTATE INVESTMENT AT AHMEDABAD CITY

Dr. Kalpesh P Prajapati

ABSTRACT

Indian real estate has huge potential demand in almost every sector especially commercial, residential, retail, and industrial, hospitality, healthcare etc. Real estate had been witnessing significant growth in Gujarat in the last few years; Property Investments in Gujarat have normally been a gold mine for most investors. The growth and development of cities across the country have added fuel to the rise in prices across the country. The question now for investors is how best to benefit from investments in realty; whether to look at investments directly in property or route the investments to real estate companies that are listed on the stock markets. The present paper entitled "Business potentiality and awareness of investors towards real estate investment at Ahmedabad City" is an attempt to know the business potentiality and awareness about real estate investment. It also reveals the preferences of investors for real estate investment at Ahmedabad.

KEY WORDS: Real estate, Property, Investment, Income.

INTRODUCTION:

The real estate sector has witnessed a strong bull run over the last few years starting 2004, before plunging in second half of 2008. With the rapid economic growth in the country, the income and surpluses in the hands of the people suddenly increased. Real estate being one of the only two perennial & traditionally preferred asset class and with the inborn desire of Indians to own a house, the sector became a natural choice for these excesses to be invested. This sudden spurt in demand caught the fancy of investors globally. The development in the real estate sectors shows a growth in both, the commercial as well as the residential areas. Even though there has been a sharp rise in property prices, home loan interest rates and effect of global recession, the real estate sector in India has done quite well. Since, real estate is one that brings long term gain for investors; India has shown the way, as a profitable destination, to get assured returns from real estate investment. The desire for commercial and residential properties in India has been the most, among Asian countries. The ongoing crisis in real estate sector has taken the route of Ahmedabad city which is witnessing a steep decline in the property registrations but yet there is huge business potential for real estate in Gujarat and Ahmedabad.

REVIEW OF LITERATURE:

K. Byrne (2005) found in his study that improved investment knowledge and experience enable consumers to make better investment decisions about real estate market. The better they understand the link between risks and return in the Indian real estate market; and the better the understanding of the link between risk and return in the Indian real estate market.
Parida, S. (2011) studied a panoramic view of the operations of Indian real estate sector in various property segments and found that real estate sector is the second largest employer in India, after the agricultural sector. Having attained maturity, the real estate sector is attracting huge investments, especially (Foreign Direct Investment) FDI.

Reddy T (2013) studied Progress of Real Estate Sector in India and found that the Indian Real Estate will remain bullish for the foreseeable future. The Government of India’s recent decision to allow 51 per cent FDI in multi-brand retail is also expected to benefit the real estate business in the country, in terms of boosting development of new shopping malls.

OBJECTIVES OF THE STUDY:

- To know business potentiality and awareness about real estate investment
- To know the preferences of investors about real estate investment

RESEARCH METHODOLOGY:

The descriptive research design has been used in this study. The study use both primary and secondary data. Total 196 samples were selected from Ahmedabad city using non probability judgmental sampling method. Primary data were collected directly from the respondents through the structured questionnaire and personal interview. In this study, simple percentage analysis, Chi- square test, Anova test and factor analysis has been employed to interpret.

DATA ANALYSIS & INTERPRETATION:

Table 1: No. of Respondents interested to invest in real estate

Particular	Frequency	Percentage
Yes	196	100
No	0	0
Total	196	100

Source: Primary Survey

From the table 1, it is inferred that all the respondents are interested to invest in real estate.

Table 2: No. of Respondents who have invested their fund in real estate

Particular	Frequency	Percentage
Yes	160	82
No	36	18
Total	196	100

Source: Primary Survey

From the table 2, it is inferred that 82 percent of the respondents have invested their fund in real estate and 18 percent of the respondents have not invested in real estate. It further enhances that majority of the respondents are aware about the investment in real estate.

Table 3: No. of times the respondents have invested their fund in real estate

Particular	Frequency	Percentage
Once	110	69
2-3 Times	40	25
More than 3 times	10	6
Total	160	100

Source: Primary Survey

It is inferred from table 3 that 69 percent of the respondents have invested their fund once in their life, 25 percent of the respondents have invested their fund two to three times. It means majority of the respondents have invested their fund in real estate at least once.

Table 4: Type of real estate option in which investment is to be done by the respondents

Particulars	Frequency	Percentage
Purchase Residential	122	62.24
Sale of Home	18	9.18
Commercial	26	13.27
Land	28	14.29
Mortgage Notes	2	1.02
Others	0	0.00
Total	196	100.00

Source: Primary Survey

From the table 4, it is inferred that majority of the respondents prefer to invest in purchase residential followed by invest in sale of home and in commercial.

Table 5: Overall rank for reasons of investment in real estate

Particular	Rank 1	Rank 2	Rank 3	Rank 4	Weighted Score	Proportion (%)	Overall Rank
Short term return	28	34	54	80	402	20.50	4
Long term return	120	28	22	26	634	32.33	1
End use	31	77	40	48	483	24.63	2
Recurring return	17	58	79	42	442	22.54	3
Total	196	197	195	196	1961	100.00	

Source: Calculated data

From the table 5, it is inferred that investor's first preference for the investment in real estate is long term return followed by end use and recurring return.

Table 6: Ranking of the factors as per importance for selection of real estate

Particular	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Weighted score	Proportion (%)	Rank
Location	65	29	17	17	12	27	23	6	1091	15.37	2
Price	31	55	35	13	21	26	10	5	1095	15.42	1
Ownership	39	24	24	27	22	21	29	10	978	13.78	4
Financial Budget	18	36	38	35	20	16	20	13	980	13.80	3
Company Image	9	12	12	4	22	27	33	77	560	7.89	8
Safety of Principle	18	10	15	11	19	40	54	29	692	9.75	7
Low Risk	8	18	22	38	46	17	18	29	812	11.44	6
High Returns	12	17	35	49	30	17	14	22	891	12.55	5
Total	200	201	198	194	192	191	201	191	7099	100.00	

Source: Calculated data

From the table 6, it is inferred that price is the main factor for selection of real estate investment followed by location and financial budget of the investors.

Table 7: Factors influencing real estate return

Factors	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5	Mean
Asset volatility	35	121	30	8	2	2.09
Lack of reliable valuation data	47	108	30	6	5	2.05
Legal and regularity risk	121	51	15	5	4	1.57
Risk of poor profession and advice	20	112	44	16	4	2.35
Hard to determine the best opportunities	36	105	41	10	4	2.19

Source: Calculated data

Table 7 reveals that the calculated mean is less than three in all factors shows that the respondents are agree for all the influencing factors of real estate return.

Table 8: Preference by investors for title of real estate investment

Particular	Frequency	Percentage
Sole owner	151	77
Partnership	14	7
Both	15	8
Undecided	16	8

Source: Primary Survey

It is inferred from table 8 that majority of the respondents are interested to invest their fund in real estate as sole owner followed by in partnership.

Table 9: Key motivating factors for investment in real estate

Factors	Strongly Agree 1	Agree 2	Neutral 3	Disagree 4	Strongly Disagree 5	Mean Score
Retirement	34	119	29	13	1	2.12
Cash flow	39	118	36	3	0	2.02
High return	73	79	40	4	0	1.87
Tax shelter	61	71	47	14	3	2.12
Wealth creation	60	85	48	1	2	1.98
Life style change	44	72	60	13	7	2.32

Source: Calculated data

From the table 9, it is inferred that mean score for all factors is less than three that means the respondents believes that above all factors are motivating them for real estate investment.

Table 10: Ranking of different locations for investment in real estate

Particular	Rank 1	Rank 2	Rank 3	Rank 4	Rank5	Weighted Score	Proportion (%)	Rank
Sanand	14	11	18	67	86	388	14.94	3
Anand	1	4	10	95	86	327	12.59	5
Gandhinagar	6	4	9	91	86	341	13.13	4
Bopal	9	83	76	20	8	653	25.14	2
Ahmedabad	146	26	13	4	7	888	34.19	1
Total	176	128	126	277	273	2597	100.00	

Source: Calculated data

Table 10 shows that Ahmedabad is the first choice of investors followed by Bopal and Sanand. Investors prefer Bopal and Sanand because it is nearer to Ahmedabad.

Table 11: Preference of investors for various facilities while investing in real estate

Factors	Not at all Preferred	Least Preferred	Neutral	Preferred	Most Preferred	Mean Score
Affordable price range	6	5	18	90	77	4.16
Availability of loan at low interest rate	2	10	14	87	83	4.22
easy payment plan	3	6	9	88	90	4.31
Connectivity to public transport	2	4	17	117	56	4.13
Clear title of property	0	4	6	25	161	4.75
Resale value	3	3	12	46	132	4.54
Peaceful locality	2	3	18	114	59	4.15
Pollution free environment	0	3	20	117	56	4.15
Quality construction	3	1	7	121	64	4.23
Maintenance	3	7	17	122	47	4.04
Safety and security	1	5	7	111	72	4.27
Water availability	0	5	11	103	77	4.29
Power backup	2	3	17	98	76	4.24
Recreational facility	4	9	52	88	43	3.80

Source: Calculated data

From the table 11, it is inferred that majority of the factors have a mean score that is near to most preferred, means the investors prefer the various types of facilities that are provided by the builders.

Table 12: Whether investors are ready to invest in open land or plot

Particular	Frequency	Percentage
Yes	156	80
No	40	20
Total	196	100

Source: Primary Survey

From the table 12, it is inferred that majority of the investors wish to invest in open land or plot because investing in open land or plot may leads to increment in price in near future.

Table 13: Type of plots that investors prefer to buy

Particular	Frequency	Percentage
Normal Plotting	98	63
Agriculture Plotting	14	9
Both	44	28
Total	156	100

Source: Primary Survey

It is inferred from table 13 that 63 percent of the investors would like to invest in normal plotting followed by 29 percent in agriculture plotting and 9 percent in both normal plotting and agriculture plotting.

Table 14: Preference for various types of amenities under normal plotting

Particular	Frequency	Percentage
Clubhouse With Motel	42	26.92
Restaurant	10	6.41
Swimming Pool	16	10.26
Gym	24	15.38
Yoga Centre	28	17.95
Children's Garden	33	21.15
Others	3	1.92
Total	156	100.00

Source: Primary Survey

From the table 14, it is reveals that most preferred amenities are club house with motel followed by children’s garden and Gym, Swimming Pool and others.

Table 15: Preference of investors for plot size under normal plotting

Particulars	Frequency	Percentage
Less than 300 Sq Yards	121	77.56
300- 600 Sq Yards	34	21.79
Greater than 600 Sq Yards	11	7.05
Total	156	100.00

Source: Calculated data

From the table 15, it is inferred that majority of the investors would like to invest in less than 300 sq yards plot followed by 300- 600 sq yards plot.

HYPOTHESIS TESTING:

Ho: There is no significance difference between occupation and key motivating factors for investing in real estate.

H_1: There is significance difference between occupation and key motivating factors for investing in real estate

To measure significant difference between occupation and key motivating factors for investing in real estate, one Multivariate Analysis of Variance (MANOVA) test with repeated measures was conducted and the results do not support the H_0 and revealed that there is statistically significant difference between occupation of the respondents for key motivating factors for investing in real estate (Wilk's Lamda = 0.79; F=2.75, Significance: p =0.000< 0.05).

Ho: Income of the respondent and the plot size for investing in normal plotting are independent.

H_1: Income of the respondent and the plot size for investing in normal plotting are dependent.

To examine the relation between income of the respondent and the plot size for investing in normal plotting, Chi-square test was performed. The results support H_0 and revealed that Income of the respondent and the plot size for investing in normal plotting are dependent, $\chi 2$ (12, N= 142) = 4.61, p = 0.156 which is more than 0.05.

FACTOR ANALYSIS:

Table 16: KMO and Bartlett's Test

Table 6.9.1.1: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.829
Bartlett's Test of Sphericity	Approx. Chi-Square	1270.106
	df	91

Table 6.9.1.1: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.829
Bartlett's Test of Sphericity	Approx. Chi-Square	1270.106
	df	91
	Sig.	0.000

Source: SPSS output

The Kaiser – Meyer – Olkin measure of sampling adequacy is showing the result of 0.829, which indicates that the scale is appropriate and would help in extracting the factors. The ideal measure for the KMO test is (KMO > 0.50) and here the KMO is indicated by the value 0.829 which shows that the variables are measuring a common factor.

Table 17: Rotated Component Matrix

Rotated Component Matrix[a]				
	Component			
	1	2	3	4
Water Availability	.880			
Safety And Security	.823			
Power Backup	.675			
Pollution Free Environment	.577			
Easy Payment Plan		.850		
Availability Of Loan At Low Interest Rate		.845		
Affordable Price Range		.774		
Recreational Facility			.859	
Peaceful Locality			.690	
Quality Construction			.604	
Maintenance			.447	
Clear Title Of Property				.730
Connectivity To Public Transport				.700
Resale Value				.646

Source: SPSS output Extraction Method: Principal Component Analysis. Rotation Method: Varimax With Kaiser Normalization.
A. Rotation Converged In 6 Iterations.

Table 18: Common Factors Extracted from the Exploratory Factor analysis

Factor No	Variable No	Name of the Variable	Factor Name
1	1	Water Availability	Basic Necessities
	2	Safety and Security	
	3	Power Backup	
	4	Pollution Free Environment	
2	5	Easy Payment Plan	Financial Viability
	6	Availability of Loan at Low Interest Rate	
	7	Affordable Price Range	
3	8	Recreational Facility	Extra Facilities
	9	Peaceful Locality	
	10	Quality Construction	
	11	Maintenance	
4	12	Clear Title of Property	Location
	13	Connectivity to Public Transport	
	14	Resale Value	

Source: Calculated data

Table 18 lists the factors extracted from the list of variables and the variables attached therein. The factors were extracted on the basis of common dimensions reflected by the variables. First factor which emerges from the combination of different variables of component 1 is **Basic Necessities.** Second factor which emerges from the combination of different variables of component 2 is **Financial Viability.** Third factor which emerges from the combination of different variables of component 3 is **Extra Facilities**. Fourth factor which emerges from the combination of different variables of component 4 is **Location.**

CONCLUSION:

It is concluded that majority of the respondents are interested to invest in real estate and majority of them have invested at least once in it. The study found that majority of the investors prefer residential as well as land as a better option for investment. There is very good business potentiality in real estate at selected location.

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