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A study on the socio-economic profile of apartment residents in Coimbatore city

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Abstract

India is witnessing heightened activity in the real estate sector with strong impetus provided by the economic conditions in the country. The Indian real estate sector is one of the most globally active sectors. The Indian real estate market size is expected to touch US\$ 180 billion by 2020. The Coimbatore residential market is witnessing positive transaction activity, leading to increased absorption. In the housing sector, apartment market is flourishing in Coimbatore. There is massive growth of investment in apartments and increase in the number of promoters promoting hundreds of apartments over the recent years. The present study is undertaken to identify the socio economic profile of apartment residents in Coimbatore, their native place and previous house type of stay.

Keywords: socio-economic, apartment residents, Coimbatore city, agriculture

Introduction

The Indian real estate sector is one of the fastest growing sectors in the world. India, in the recent years has been witnessing heightened activity in the real estate sector with strong impetus provided by the economic conditions in the country. The Indian real estate sector is one of the most globally recognised sectors. It is the second largest employer after agriculture. About 250 ancillary industries such as cement, steel, brick, timber, building materials etc are dependent on the real estate industry. According to planning commission 2012-2017, around 41 million people are employed in the construction sector in 2011.

Gross Domestic Product of India was 5.6% in 2012-13, 6.6% in 2013-14, 7.2% in 2014-15, 7.6% in 2015-16 and is estimated to reach 7.75% in 2016-17. Indian real estate is seeing an unprecedented boom in the last few years. Real estate contributed to about 6.3 percent to India's GDP in 2013 (Corporate Catalyst India pvt ltd, 2015). Within real estate, the housing sector currently contributes around 5% of India's GDP and in the next three to five years, its contribution to GDP is likely to increase to 6% (Karnik, 2014) [4]. "The Indian real estate market size is expected to touch US\$ 180 billion by 2020" (Corporate Catalyst India pvt ltd, 2015).

India's emergence is an attractive offshoring destination for real estate. Availability of pool of highly skilled technicians and engineers, rise in disposable income and growing middle class increasing the demand for quality residential real estate and real estate as an investment option, entry of professional players equipped with expertise in real estate development, relaxation of legal rulings and processes by the governing bodies encourage investments in real estate and improvement in infrastructure facilities. Liberalisation and the consequent increase in business opportunities and migration of the labour force has, in turn, increased the demand for commercial and housing space. Developments in the Indian real estate sector has been influenced by the developments in the retail, hospitality and entertainment industries such as hotels, resorts and cinema theatres, economic services such as hospitals and schools and information technology-enabled services such as call centres and vice versa.

Statement of the Problem

Housing satisfaction is an important aspect in a person's life. Satisfaction with apartment depends on factors such as interior and exterior quality of the apartment building, the facilities provided within the apartment and the apartment building. The exposure of Coimbatoreans to the latest styles and facilities has made them demand the best specifications in terms of flooring and wall tiles and fittings and facilities.

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Hence, the study is conducted to identify the demographic profile of the people living in apartments, their native place and previous house type of stay.

Objectives

- To identify the socio economic profile of apartment residents
- To identify the native place of the residents of apartments
- To identify the previous house type of stay of apartment residents

Research Methodology

i) Study Period

The study was undertaken during the period 2010-2015.

ii) Sampling

Data has been collected from 300 respondents living in apartments in Coimbatore city by conducting interviews.

iii) Statistical tools used in the study

Percentage analysis has been used to analyse the socio-economic profile, native place and previous house type of stay of the apartment residents.

Scope of the Study

The study attempts to identify the socio economic profile of the apartment residents with respect to their age, gender, educational qualification, occupation, marital status, type of family, number of members in the family, family annual income, type of vehicles owned, native place and previous house type of stay.

Limitations of the Study

The following are the limitations of the study

- The sample size is limited to 300 apartment owners
- The results cannot be generalized to all the residents living in various apartments.

Review of Literature

Szczepanska *et al.*, (2014) ^[1] analyse the correlation between apartment prices and traffic noise levels in Olsztyn in north-eastern Poland. A housing estate comprising apartment buildings in central Olsztyn is analysed where noise pollution levels are particularly high. Data relating to 215 apartment transactions is analysed. The study is carried in four stages. Traffic noise levels are determined based on the acoustic map which shows noise intensity intervals. The distribution of unit prices of apartments is mapped relative to noise levels. Linear correlations between unit prices of apartments and noise levels are analysed. Results show a negative correlation between the dependent variable apartment prices and independent variable noise level which indicates that unit prices of apartments decrease with an increase in noise levels.

Srivathsan (2013) ^[2] reports that the henceforth apartment buyers have to register their construction agreement compulsorily and pay two per cent additional charges based on the agreement. This is apart from registering the undivided share of the land based on guideline value. From December 2012 onwards registration of power of attorney and construction agreement is compulsory. R. Kumar, Chairman, CREDAI, Tamil Nadu chapter, says: "At a time when people are struggling to buy a home at high cost, this directive will be an additional burden on the buyers. Second,

it is also a hassle because it would involve one more registration process leading to more delays."

Findings of the Study

Socio Economic Profile

Changing developments in a society are largely dependent on the profile of the residents in the society. Socio-economic factors of the apartment residents determine their purchasing pattern of apartments. Table 1 displays the socio-economic profile of the apartment residents namely age, gender, educational qualification, occupation, marital status, type of family, number of members in the family, annual income, native place. Percentage analysis has been applied to analyse the socio economic profile of the apartment residents.

Table 1: Socio Economic Profile of Apartment Residents

Factors	Description	No.	Percent
Age (in years)	30 or Less	42	14.0
	31- 40	90	30.0
	41-50	107	35.7
	51-60	36	12.0
	Above 60	25	8.3
Gender	Male	258	86.0
	Female	42	14.0
Educational Qualification	No Formal Education	11	3.7
	School Level	12	4.0
	Under Graduate	84	28.0
	Post Graduate	119	39.7
	Professional	74	24.7
Occupation	Private Employee	134	44.7
	Government Employee	36	12.0
	Professional	55	18.3
	Self –Employed	57	19.0
	Retired	18	6.0
Marital Status	Married	267	89.0
	Unmarried	33	11.0
Type of Family	Joint	86	28.7
	Nuclear	214	71.3
Number of Family Members	Below 3	32	10.7
	3	80	26.7
	4	131	43.7
	5 and above	57	19.0
Family Annual Income	Rs.5 Lakhs or Less	70	23.3
	Rs.5L – Rs.10 Lakhs	101	33.7
	Rs.10L –Rs.15 Lakhs	47	15.7
	Rs.15L –Rs.20 Lakhs	22	7.3
	Above Rs.20 Lakhs	60	20.0
Type of Vehicles Owned	Two Wheeler	65	21.7
	Four Wheeler	89	29.7
	Both	117	39.0
	None	5	1.7
Native Place	Coimbatore	162	54.0
	From other cities within Tamil Nadu	102	34.0
	From other States	36	12.0
Previous House Type of Stay	Own Individual House	115	38.3
	Own Apartment	81	27.0
	Rented Individual House	50	16.7
	Rented Apartment	54	18.0
Total		300	100.0

Age Profile: The above table shows that 35.7 percent of the respondents are in the age group of 41-50 years, 30 percent of the respondents are between 31-40 years, 14 percent of the respondents are either or less than 30 years of age, 12 percent

of the respondents are between 51-60 years and 8.3 percent of the respondents are above 60 years of age.

Gender: It is clear from the above table that 86 percent of the respondents are Male and 14 percent of the respondents are Female.

Educational Qualification: The above table depicts that 39.7 percent of the respondents are post graduate degree holders, 28 percent of the respondents are under graduate degree holders, 24.7 percent of the respondents are professionally qualified, 4 percent of the respondents have school level education, 3.7 percent of the respondents have no formal education.

Occupation: From the above table we can infer that 44.7 percent of the respondents are private employees, 19 percent of the respondents are self-employed, 18.3 percent of the respondents are professionals, 12 percent of the respondents are government employees, 6 percent of the respondents are retired.

Marital Status: The table reveals that 89 percent of the respondents are married and 11 percent of them are unmarried.

Type of Family: The table shows that 71.3 percent of the respondents are living in nuclear family and 28.7 percent of the respondents are living in joint family.

Number of members in the family: From the table we can understand that 43.7 percent of the respondents have 4 members in their family, 26.7 percent have 3 members in their family, 19 percent of the respondents have 5 and more than 5 members in their family, 10.7 percent of the respondents have less than 3 members in their family.

Annual Income of the family: The table indicates that 33.7 percent of the respondents' annual family income is between Rs.5 lakhs-Rs.10 lakhs, 23.3 percent of the respondents' annual family income is less than Rs.5 lakhs, 20 percent of the respondents' annual family income is more than Rs.20 lakhs, 15.7 percent of the respondents' annual family income is between Rs.11 lakhs – Rs.15 lakhs, 7.3 percent of the respondents' annual family income is between Rs.16 lakhs – Rs.20 lakhs.

Vehicles Owned: From the above table we can infer that 39 percent of the respondents own both two wheeler and four wheeler, 29 percent of the respondents own four wheeler, 21.7 percent of the respondents own two wheeler, 1.7 percent of the respondents do not own any vehicle.

Native Place: The table shows that 54 percent of the respondents' native place is Coimbatore, 34 percent of the respondents' native place is in other cities from Tamil Nadu and 12 percent of the respondents' native place is in other states.

Previous house type of stay: The above table indicates that 38.3 percent of the respondents were staying in their own individual house before moving into apartments, 27 percent were staying in their own apartment, 18 percent were staying in rented apartment and 16.7 percent were staying in rented individual house.

Conclusion

Ownership of a house is the most important form of financial security for most Indians. A residential property usually appreciates handsomely over time, beating the inflation rate significantly and it can be used to derive value through selling or by mortgaging to meet various personal needs. Consequently, we see most families toil all through their lives to own their dream homes. However, given the increase in incomes, especially double incomes in families, and the explosive growth in middle class population that is also recording increasing number of nuclear families, the demand for housing is increasing unbridled.

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