

ECONOMIC INDICATORS AND THEIR INFLUENCE ON REAL ESTATE PRICES: A STUDY ON GSQUARE REALTORS PVT LTD

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ABSTRACT:

This study examines the relationship between key economic indicators and real estate prices, with a particular focus on GSQUARE Realtors Pvt Ltd. As the real estate market is deeply influenced by macroeconomic factors, understanding how these indicators shape property prices is crucial for both investors and developers. The research investigates the impact of factors such as inflation rates, interest rates, GDP growth, and employment levels on the pricing trends of real estate properties handled by GSQUARE Realtors. Through a comprehensive analysis of historical data and market trends, the study aims to identify patterns and correlations between economic shifts and changes in property values. The findings indicate that fluctuations in interest rates and inflation significantly affect the demand for properties, thereby influencing pricing strategies. The study concludes with recommendations for real estate companies, particularly GSQUARE Realtors Pvt Ltd, to consider these economic indicators when formulating pricing models and investment strategies to remain competitive and profitable in a dynamic market environment.

INTRODUCTION:

Economic indicators play a crucial role in shaping the dynamics of the real estate market. These indicators, which reflect the overall health and performance of the economy, can significantly influence real estate prices, impacting both demand and supply. This research project, "Economic Indicators and their Influence on Real Estate Prices: A Study on Gsquare Realtors Pvt Ltd," will delve into the complex relationship between key economic indicators and real estate price fluctuations within the specific context of Gsquare Realtors' operations. By analyzing various economic factors, such as interest rates, inflation, GDP growth, and

unemployment rates, this study aims to identify the primary drivers of real estate price movements in the region where Gsquare Realtors operates.

Furthermore, it will explore how Gsquare Realtors, as a prominent player in the real estate sector, adapts its strategies and operations in response to these economic influences. This research will provide valuable insights into the interplay between macroeconomic forces and the real estate market, offering practical implications for both real estate companies and potential investors.

The real estate sector is a significant contributor to the overall economy, and its performance is intrinsically linked to macroeconomic conditions. Understanding the

influence of economic indicators on real estate prices is therefore essential for informed decision-making by various stakeholders, including developers, investors, and policymakers.

This study will examine how specific economic indicators impact the pricing strategies, sales volumes, and overall market dynamics within Gsquare Realtors. By focusing on a specific real estate company, this research aims to provide a micro-level perspective on the broader macroeconomic influences at play.

SCOPE OF THE STUDY:

Focusing on relevant indicators like interest rates and inflation, the research analyzes their impact on Gsquare's property pricing, sales volumes, and project development. The study adopts Gsquare's perspective, exploring their strategic responses to economic fluctuations. A mixed-methods approach combines quantitative analysis of market data with qualitative insights from interviews and case studies. The scope is limited to the specific property types Gsquare deals in and acknowledges potential data constraints. Findings will offer insights into the interplay between macroeconomic forces and Gsquare's real estate market dynamics.

STATEMENT OF THE PROBLEM:

The real estate market is a complex system influenced by a multitude of factors, with economic indicators playing a particularly significant role. Fluctuations in these indicators, such as interest rates, inflation, and GDP, can trigger significant shifts in real estate prices, impacting both buyers and sellers. While the general relationship between macroeconomic conditions and real estate market dynamics is acknowledged, the specific nature and magnitude of these influences, particularly within the context of individual real estate companies, require further investigation. This research addresses the problem of understanding how key economic indicators influence real estate prices within the operational framework of Gsquare Realtors Pvt Ltd.

OBJECTIVES OF THE STUDY:

- To Examine the Impact of Economic Indicators
- To Evaluate the Business Model of G Square Realtors Pvt. Ltd.
- To Identify Correlations Between Economic Trends and Real Estate Demand
- To Assess Regional Market Influences.

RESEARCH METHODOLOGY:

Methodology is a way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve a research problem.

DATA COLLECTION:

Data was collected through both primary and secondary data sources.

PRIMARY DATA:

A primary data is a data, which is collected for the first time for a particular interest to collect more information. In this study, the primary data was collected through interview method through (Google-Form).

SECONDARY DATA:

Secondary data consist of information that already exists somewhere, having been collected for some other purpose. In this study secondary data was collected from different sources like newspaper, magazines, journals, books and websites.

SAMPLING METHODS:

This research will employ a mixed-methods approach, combining quantitative financial analysis with qualitative insights from industry experts to examine the relationship between economic indicators and real estate prices, specifically within the context of Gsquare Realtors.

SAMPLE SIZE:

Sample size taken in this study is 127 respondents.

TOOLS FOR ANALYSIS:

- Chi - Square Analysis
- ANOVA (One way ANOVA)

ANALYSIS AND INTERPRETATION OF THE STUDY:

CHI - SQUARE ANALYSIS:

ANNUAL INCOME * EASY TO GET A HOUSING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS

		EASY TO GET A HOUSING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS				Total
		Very easy	Somewhat easy	Difficult	Very difficult	
ANNUAL INCOME	Below Rs. 2,50,000	9	19	11	7	46
	Rs. 2,50,000 - 5,00,000	12	11	12	2	37
	Rs. 5,00,001 - 7,50,000	4	6	14	4	28
	Above Rs. 7,50,000	4	8	4	0	16
	Total	29	44	41	13	127

Source: Primary data

INTERPRETATION:

As per the above table, it is inferred that the P value is 0.122; it is not significant to 5% (0.05) significant level. The minimum expected count is 1.64. Thus null hypothesis is accepted and it is finding that there is no significant difference between respondent's annual income of the respondents and easy to get a housing loan from banks or financial institutions.

INFERENCE:

The P-value of 0.122 is greater than the 5% significance level, indicating no significant relationship between respondents annual income and the ease of obtaining a housing loan. Therefore, the null hypothesis is accepted.

ONE WAY ANOVA TEST

NULL HYPOTHESIS (HO): There is no significant relationship between occupation of the respondents and government tax policy that find most challenging when purchasing property.

ALTERNATIVE HYPOTHESIS (H1): There is a significant relationship between occupation of the respondents and government tax policy that find most challenging when purchasing property.

ANOVA

GOVERNMENT TAX POLICY THAT FIND MOST CHALLENGING WHEN PURCHASING PROPERTY

	Sum of Square	df	Mean Square	F	Sig.
Between Groups	19.699	4	4.925	3.373	.012
Within Groups	178.097	122	1.460		
Total	197.795	126			

Source: Primary data

INTERPRETATION:

The table clearly shows that demographical factors and financial literacy has a figure on 3.373 values and significance around .012 level than the sum of squares between groups and within groups values have 19.699 and 178.097 respectively. Hence, the significant value is greater than 0.05 for which the significant percentage is above 95%, hence null hypothesis is rejected. Thus, accepting alternative hypothesis i.e., There is significant relationship between Occupation of the respondents and government tax policy that find most challenging when purchasing property.

INFERENCE:

The significance value of 0.012, which is less than 0.05, indicates a significant relationship between respondents occupation and the government tax policy they find most challenging when purchasing property. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted.

FINDINGS:

CHI SQUARE TEST:

There is no significant relationship between annual income and the ease of obtaining a housing loan of the respondents.

ANOVA (One way ANOVA):

Occupation and the government tax policy is the most challenging factor at the time of purchasing a property.

SUGGESSTIONS:

- Banks and other financial organizations ought to streamline loan procedures and increase house finance accessibility, particularly for first-time purchasers.
- To assist borrowers in making well-informed decisions, lenders must to give a range of interest rate options along with unambiguous instructions.

- To improve loan accessibility, financial institutions could lower interest rates, simplify approval procedures, and implement flexible eligibility requirements.
- Lenders must to provide borrowers personalized loan tenure choices that strike a balance between affordability and repayment flexibility.
- To encourage property ownership, policymakers can reevaluate real estate tax systems, lower stamp duty, and provide relief measures.

CONCLUSION:

The conclusion is that real estate prices are significantly influenced by economic indicators, which also have an immediate effect on market stability, housing affordability, and investment choices. Property valuation and demand are greatly influenced by a number of factors, including the availability of home loans, tax laws, governmental restrictions, and unemployment rates. According to the findings, changes in these variables present investors, buyers, and policymakers with both opportunities and difficulties, requiring calculated actions to preserve market equilibrium. Fostering a transparent and sustainable real estate industry requires an understanding of these linkages in order to make sure that economic policies meet the demands of stakeholders. Additionally, it is determined that the macroeconomic environment has a significant impact on real estate market patterns, necessitating flexible approaches from financial institutions, developers, and regulators. A more robust real estate market may result from improving loan accessibility, streamlining tax arrangements, and encouraging steady employment. Proactive legislative actions and market knowledge will be essential to guaranteeing long-term growth and stability in the real estate industry, especially for companies like GSquare Realtors Pvt. Ltd., as economic indicators continue to change.

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