



ACCESSIBILITY OF HOUSING LOAN AFFECT ON HOMEOWNERSHIP IN COIMBATORE.

by

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A PROJECT REPORT

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BONAFIDE CERTIFICATE

Certified that this project report titled “**ACCESSIBILITY OF HOUSING LOAN AFFECT ON HOMEOWNERSHIP IN COIMBATORE** ” is the bonafide work of **Mr. VENKATESHWARAN A Reg no: 1120400100** who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

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I affirm that the project work titled “**ACCESSIBILITY OF HOUSING LOAN AFFECT ON HOMEOWNERSHIP IN COIMBATORE**” being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not found the party other project work submitted for award of any degree or diploma, either in this or any other university.

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SYNOPSIS

This study is to examine the accessibility of housing loan affect on homeownership in Coimbatore. Owning a piece of land or property is a lifetime dream for every individual. There are many home loans provider in the market to make your dream come true. But before you opt for any home loan provider, you need to consider certain factors related to property that you are interested in buying and also about the salient features offered by a home loan provider. This study investigates the impact of socio-economic factors like gender, age, marital status, education, occupation, household income etc. And here we are investigates about the factors that affects the purchase decision of home, and the factors influence the selection of finance source, the reason for not owning the house.

The study uses chi square test, percentage analysis and rank analysis to determine the above mentioned.

CHAPTER 1

Introduction

Housing market in India playing a vital role in recent years. Housing contributes to GDP in two basic ways: through private residential investment and consumption spending on housing services. Historically, residential investment has averaged roughly 5 percent of GDP while housing services have averaged between 12 and 13 percent, for a combined 17 to 18 percent of GDP. These shares tend to vary over the business cycle. Owning a piece of land or property is a lifetime dream for every individual. There are many home loans provider in the market to make your dream come true. But before you opt for any home loan provider, you need to consider certain factors related to property that you are interested in buying and also about the salient features offered by a home loan provider and also study some Home Loans and Home Insurance FAQs which helps in applying a Home Loan in India.

And the most important thing is you should know about each and every term related with Home Loans before applying for a Loan. It is always advisable to consult a home loan expert or consultant before applying for a home loan or purchasing a property.

You can take different types of home loans like Bridge Loans, Home construction Loans, Home Equity Loans, Home Extension Loans, Home Improvement Loans, Land Purchase Loans etc for different schemes available in the market. There are different types of home loans tailored to meet your needs.

- **Home Purchase Loans:** These are the basic forms of home loans used for purchasing of a new home.
- **Home Improvement Loans:** These loans are given for implementing repair works, healing and renovations in a home that has already been purchased.
- **Home Construction Loans:** These loans are available for the construction of a new home.

- **Home Extension Loans:** These loans are given for expanding or extending an existing home. For eg: addition of an extra room etc.
- **Home Conversion Loans:** These loans are available for those who have financed the present home with a home loan and wish to purchase and move to another home for which some extra funds are required. Through home conversion loan, the existing loan is transferred to the new home including the extra amount required, eliminating the need of pre-payment of the previous loan.
- **Land Purchase Loans:** These loans are available for purchasing land for both construction and investment purposes.
- **Bridge Loans:** Bridge loans are designed for people who wish to sell the existing home and purchase another one. The bridge loans help finance the new home, until a buyer is found for the home.

1.1 Reason for taking home loan:

Many of the people working Coimbatore are middle class. But each and every family wants to be in their own house even how smaller it is. They don't have enough money to build a house so, they are going for home loan. Taking a home loan nowadays has become very simpler. The RBI has been regularly slashing interest rates, with the result that housing finance loans that came at an interest rate of 16.5% to 18% four years ago are now available at 11.5% to 13% or lower. Each year the Finance Minister's generosity during the Budget seems to be solely concentrated for the housing sector and construction sector. The Budget 2000's allowed interest payment up to Rs 1 lacks and principal payment of Rs 20,000 to be exempted from income tax. To top it all, the Housing Finance Companies (HFCs) are aggressively wooing customers. Now, when the sun shines, it's the best time to make hay.

Housing market in Coimbatore:

The Coimbatore residential market divided into four micro-market namely north, south, east and west. From the residential market perspective, the preference of the people to be in villas. But they need the integrated facilities like swimming pool, jogger's park, gymnasium and various other facilities. This have

paved the way for integrated township with club house. The changing mindset of people has resulted in developers to innovate in design. This leads to competition so because of the competition they are providing with good facilities. It leads to the increased option for buyers.

1.2 Company profile:

DSA Agency:

It is the direct selling agency. They basically work as an intermediary between a loan provider and a loan seeker. Our main functions include completing documentation, submitting documents to banks and ensuring that the process does not take much time. And we provide these services at the doorstep of customers. They are like the marketers for the banks. They are provided with the incentives by the respective bank. they facilitate or arrange loans for you, they are also called loan arrangers. The entire loan process is undertaken by them. They also keep following up with the bank on the status of the loan as well. Also, if the bank requires additional documents, the loan arranger will collect it from you and submit it to the bank.

Types of facilitators

Single tie-up: These loan arrangers have a tie-up with a single bank and can only help in securing a loan from that particular bank. These agents approach you with various offers when you visit a bank.

Multiple tie-ups: These companies have tie-ups with different banks and do not rely on just one bank. Hence, these companies provide more choices to the customers and help them in getting cheaper loans. Most of these companies operate online.

Benefits:

Besides easy processing and time saving, some loan arrangers may help you in reducing the overall cost. Most banks charge processing fee for all kinds of loans. This may be 2-3% depending on the bank. A loan facilitator deals on behalf of many customers and has higher negotiating power. At times, loan

arrangers convince the bank to waive the processing fees partly or entirely which reduces your overall cost.

“Banks mostly have a very rigid structure regarding the interest they charge from the customers. But the processing fee part is negotiable and companies may help customers in getting a better deal on the same

S. V.R Associates:

It is a DSA Agency. It is owned by Mr. P. Shailesh kumar. He is the chief consultant there. They are providing home loans, Mortgage loans, Business loans, Realty services. The company is located in saibaba colony, near P&T Quarters bus stop.

1.3 Statement of the problem:

To determine the factors that affecting the purchase decision of the home, the selection of finance source, for not owning the home. The company was lacking with the statistical data so in order to update the company with the information the survey is carried out. In today's competitive world it is necessary to know about the people's mindset as well as their expectation to be success in every field.

1.4 Scope of the study:

The study is now conducted only in Coimbatore. It may be conducted all over tamilnadu or some where it is needed. This study may helpful for the company to meet the expectation of the people in future. It is useful for the company to know about the mindset of the people and act according to that. Here we are studying about the socio-economic factors that affect the purchase decision of the home, factors affecting the selection of finance source, factors for not owning the house.

CHAPTER 2

REVIEW OF LITERATURE:

Here we are going to discuss about the papers related to the housing loan.

2.1.1 An Empirical Study of Consumer Awareness on Home Loan Agreement:

The housing sector plays an important role in the economic development of the country. Every rupee invested in housing adds 78 paise to the GDP. Over 269 industries are directly or indirectly dependent on the housing sector. There is an estimated shortage of 20 million housing units in the country with an estimated investment requirement of over Rs 1500 billion. It is important to know about the home loan agreement clauses before signing in it as it will help the borrower to bargain with the lenders. This study was conducted among the 281 commercial bank consumers spreading all over Tamilnadu. Convenient sampling method was employed. The results indicated that the majority of the consumers are not aware about the various clauses in the home loan agreement and majority of the customers do not know the importance of reading it. This throws up a challenge to Reserve Bank of India and National Housing Bank to create the awareness of the home loan agreement.

2.1.2 Housing Finance System in Urban China:

China's housing finance system has been restructured by the housing reform. However, the restructuring of the housing finance system was very unbalanced in its early stages. Most of the funds were largely distributed as development loans for housing supply, there were only a small amount of funds which were used in housing consumption (Deng, Shen and Wang, 2009). The first residential mortgage loan in China was issued by China Construction Bank (CCB) in 1986. From the year 1994, the Chinese government started to introduce mortgage loans to home buyers nationwide, along with strict conditions on loans (Di et al., 2008). For instance, applicants must provide bank with at least 30 percent of down payment, and the loan had be paid back in 5 years 11

(Zhang, 2000). During that period, most urban residents could not meet these requirements. Hence, the individual home mortgage remained only a small portion of all bank loans. In order to boost the growth of the national economy, home mortgage loans were encouraged to expand by the Chinese government since the housing reform in 1998. Hence, strong incentives in the development of housing market cause an increase in the growth of housing finance (Deng, Zheng and Ling, 2004). Despite the impressive growth of residential mortgage loans, the mortgage lending in China still only accounted for 13 percent of GDP in 2004, which is quite low compared to 65% of Singapore, 50% for Hong Kong, 38 % of Korea and 58% for U.S. in 2002 (Ben-Shahar, Leung and Ong, 2008). By 2005, China became the largest residential mortgage market in Asia, with an outstanding balance exceeding two trillion yuan, which was about 89 times the balance of 1997 (Deng and Liu, 2009; Zhu 2006). Over the past ten years, the development of the housing mortgage loans has accelerated. According to the People's Bank of China (2010), residential mortgage loans to individual households increased by more than 11 times, from 126 billion yuan in 1999 to 1.4 trillion yuan in 2009. In addition, by the end 2009, 77.8 percent of the newly added personal loans were newly added residential mortgage loans.

2.1.3 Housing Price and Affordability:

The housing price in China has experienced rapid increase over the past few years. According to the National Bureau of Statistics of China (2009), the average selling price of housing in urban China increased from 1.1% to 6.5% between 2000 and 2008. By the end of 2009, it rose to 7.8%, which was higher than the previous year. The reasons for the surge in housing price include rapid economic growth, population increase, liberalization of housing market, and inadequate affordable housing supply (Chung, Kim, & Kwon, 2004). Moreover, in order to benefit from the house inflation as housing price escalated, speculations on China's residential property market were considered as the consequence of the persistent increase in housing prices (Yang and Shen, 2008). Meanwhile, Yan et al. (2010) and Yu (2010) concluded that scarcity of land was another reason of 16 rising in house prices. By the end of 2009, new house prices in Guangzhou, Shenzhen and Beijing increased by 19.9%, 14.3% and 13.2%,

respectively (National Bureau of Statistics of China, 2009). Tightening measures were implemented by the government in order to control the overheated housing market and cool down the house prices in urban China. For instance, the government increased the minimum deposit of housing purchase to 50 percent for the second-home buyers, the mortgage interest rate was increased by 10 percent and the housing property tax was introduced at the same time (Heap, 2010). With rising house prices, China's housing policy focused on people's affordability in purchasing a new house. The term housing affordability is used to summarize the difficulties individual household faces with accessing adequate housing loans (Hulchanski, 1995). According to Mak, Choy and Ho (2007), affordability is the ratio of the property value over an individual's annual gross income; the ratio of 2.5 was established by Freddie Mac as a benchmark. However, it varied greatly among cities in China. In Shanghai, for the same standard size apartment, it was priced around 273,180 yuan in 2003, the affordability ratio was 13.6, which indicated that an individual would spend 13.6 years to purchase the apartment out rightly. Liu and Li (2003) reported that it was worth 290,220 yuan in Guangzhou, with the same floor space; it was 5.89 times more than the annual gross household income.

2.1.4 Consumer Demand for Houses

Past researches revealed that income is the most important factor influencing home purchase decision (Huang and Clark, 2001; Fisher and Jaffe, 2003). Studies by Hood (1999), Huang and Clark (2001), Constant et al. (2008) and Tan (2008) also stated that as a proxy of household wealth, the home ownership increases with household income; a higher household income is more likely to cover the potential costs incurred by home ownership. Therefore, an increase in the level of household income could positively influence the consumer's home purchase decision. Gender of the head of household is also a factor that affects the decision on purchasing a house. By using data disaggregated into primary and secondary housing demand in Spain, Manrique and Ojah (2003), found that males are more likely to commit to homeowners compared with females. Studies conducted by Hood (1999), Sedo and Kossodji (2004), Gandelman (2005), Lauridsen and Skak (2007) also concluded that males often have relatively higher and stable incomes. 26 Therefore, males are more likely to acquire

homeownership through housing loans than woman (Ojo and Ighalo, 2008 and Blanchflower et al., 1998). Hood (1999) employed a logistic model and found race to be a significant factor affecting home ownership. The author reported that a white individual was more likely to own a house than a black or Hispanic individual in the US. This finding is also obtained by Sherlund (2004), where 42 percent of white households owned their houses, compared to 28 percent for minorities. The main reason was that black or Hispanic households were associated with financial constrains (Flippen, 2001 and Haurin, Herbert and Rosenthal, 2007). Kryger (2009) did a study on the impact of age of individual on home ownership in Australia. The home ownership rate increased progressively with age, and the largest proportion of households with a mortgage was from the age group between 35 to 44 years old. According to the logistic regression estimation conducted by Feijten et al. (2003), the age groups of 25 to 29 and 30 to 34 years old had the highest probability of becoming homeowners; this is especially true for the first time homeowner. Hood (1999), Blossfeld and Kurz (2004), Tan (2008), Chua and Miller (2009) and Wang (2010) concluded that older households were more likely to have higher incomes, because of a relative long duration of their employment and increasing level of working experience. Therefore, most of them have sufficient financial ability to cover the potential costs of home ownership.

Past research conducted by Bech-Danielsen and Gram-Hansen (2006), Lauridsen and Skak (2007), Hendershott et al. (2008) and Chua and Miller (2009) also stated that married couples have a greater impact on the probability of owning a house, compared with the single and divorced people. Hood (1999) and Huang and Clark (2002) concluded three possible reasons for the previous findings. First, married couples are often interested in a stable life and less mobile than singles. Second, married couples can pool their income and wealth together; compared with singles or divorced people, married couples are more easily to overcome the financial constrains and achieve their home ownership. Finally, married couples always tend to have children, they are more likely to own houses and provide a stable environment for raising up their children. Therefore, married couples have a great probability to acquire home ownership through mortgage loans (Del Rio and Young, 2005; Crook, 2006).

CHAPTER 3

RESEARCH METHODOLOGY:

In this chapter we are going to discuss about the type of research, objective of the research, data and sources of data, time, population size, sampling technique and the tool used etc.

3.1 Types of research:

Descriptive research is used. Here we performed chi square analysis, percentage analysis and rank analysis. So it is called as descriptive research analysis. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. The description is used for frequencies, averages and other statistical calculations. Often the best approach, prior to writing descriptive research, is to conduct a survey investigation.

3.2 Data and Sources:

The data used here is the primary data. Primary research consists of the collection of original primary data. It is often undertaken after the researcher has gained some insight into the issue by reviewing secondary research or by analyzing previously collected primary data. It can be accomplished through various methods, including questionnaires and telephone interviews in market research, or experiments and direct observations in the physical sciences, amongst others..

The data is collected from the people of Coimbatore through the questionnaire method. The data contains all the data required to complete the project. The data is used to determine the socio-economic factors which are affecting the purchase decision of homeowners, while selecting the finance source and for not owning the house. A total of 147 data were collected in the span of 25 days.

3.3 Questionnaire design:

This research investigates the accessibility of housing loan in Coimbatore. The questionnaire consists of four sections: basic information of the respondents, homeowners, non-homeowners and socio-economic background of the respondents.

The first section of the survey questionnaire comprises of questions which concern with the detailed information of the respondents' current living conditions. The questions include the type of current living accommodation, size of home, structure of the home, loan turnaround history (including the reasons why a loan was rejected), and ownership of home. All questions are established in order to help the researcher to understand the current living conditions of the respondents.

The second section of the survey questionnaire contains information of homeowners who achieve their homeownership by using a housing loan. In this section, the factors influencing the home purchase decision towards the housing loan are discussed as well. In addition, the questions also include loan and borrower characteristics, such as down payment of housing loan, interest rate charged on loan, duration of loan, etc. All questions are designed to allow the researcher to match consumers' expectations of housing loan financing to the actual housing loan financing taken.

In the third section of the questionnaire, the questions measure predetermined factors which affect non-homeownership in Coimbatore. This was accomplished by the factors such as high price of house, high down payment of housing loan, lack of affordability, etc. The factors for not owning a house are measured using a five point Likert scale for the degree of importance of each factor; where 1 indicates very important and 5 not important at all. This allows the researcher to evaluate the degree of importance of each factor, which influences the decision of consumers for not owning a house. Other questions concerned about the previous rejection of loan and source of previous finance. Section four of the survey questionnaire contained the socio-economic background of the respondents, which could possibly affect the respondents' ability in obtaining a housing loan. All questions are designed to help the

researcher to construct the socio and demographic profile of the sample respondents. The general questions in this section include age, gender, race, education attainment, marital status, occupation, etc.

3.1.4 Sampling method:

Stratified sampling is used. In statistical surveys, when subpopulations within an overall population vary, it is advantageous to sample each subpopulation (stratum) independently. Stratification is the process of dividing members of the population into homogeneous subgroups before sampling. The strata should be mutually exclusive: every element in the population must be assigned to only one stratum. This often improves the representativeness of the sample by reducing sampling error.

Here the sample is grouped as two groups as homeowners and non homeowners. The both homeowners and non homeowners are the two non overlapping groups. so we are saying it as the stratified sampling. It is used to reduce the error that is to avoid the same data in both the group.

3.1.5 Tools used:

SPSS is the tool used in this project. SPSS is a computer program used for survey authoring and deployment, data mining, text analytics, statistical analysis, and collaboration and deployment. In the SPSS we are using chi square method in cross tabs, percentage analysis, rank analysis.

A chi-squared test, also referred to as chi-square test or χ^2 test, is any statistical hypothesis test in which the sampling distribution of the test statistic is a chi-squared distribution when the null hypothesis is true, or any in which this is asymptotically true, meaning that the sampling distribution (if the null hypothesis is true) can be made to approximate a chi-squared distribution as closely as desired by making the sample size large enough.

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 - percent) for better understanding of collected data.

CHAPTER 4

ANALYSIS & INTERPRETATION:

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

Data mining is a particular data analysis technique that focuses on modeling and knowledge discovery for predictive rather than purely descriptive purposes. Business intelligence covers data analysis that relies heavily on aggregation, focusing on business information. In statistical applications, some people divide data analysis into descriptive statistics, exploratory data analysis(EDA), and confirmatory data analysis (CDA). EDA focuses on discovering new features in the data and CDA on confirming or falsifying existing hypotheses. Predictive analytics focuses on application of statistical or structural models for predictive forecasting or classification, while text analytics applies statistical, linguistic, and structural techniques to extract and classify information from textual sources, a species of unstructured data. All are varieties of data analysis.

Data interpretation can be defined as applying statistical procedures to analyze specific facts from a study or body of research. Data interpretation questions are a part of many standardized tests.

4.1.1 Gender is associated with purchase Decision like:

Factors	Important	Not Important	Values	Significance	Df
Availability of housing loan Male Female	35 16	16 9	0.852	0.356	1
Price of House Male Female	35 16	16 9	0.163	0.687	
Getting Married Male Female	13 12	38 13	3.851	0.050	
Investment Decision Male Female	24 8	27 17	1.561	0.212	
Quality of life Male Female	37 15	14 10	1.223	0.269	
Job Required Male Female	37 21	14 4	1.217	0.270	
Location/ Convenience Male Female	26 20	25 5	5.913	0.015	
Necessary to Raise up children Male Female	22 12	29 13	0.160	0.689	

INTERPRETATION:

The above table 4.1.1 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that gender is not associated with price of house, necessary to raise up children. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that gender is associated with availability of financing, getting married, investment decision, quality of life, job required, location or convenience.

4.1.2 Age group is associated with purchase Decision like:

Factors	Important	Not Important	Values	Significance	Df
Availability of housing loan	51	25	14.609	0.012	5
Price of House	51	25	4.305	0.506	
Getting Married	25	51	5.105	0.403	
Investment Decision	32	44	8.061	0.153	
Quality of life	52	24	9.560	0.089	
Job Required	58	18	7.643	0.177	
Location/ Convenience	46	30	8.283	0.141	
Necessary to Raise up children	34	42	3.699	0.594	

INTERPRETATION:

The above table 4.1.2 shows the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that age group is associated with availability of financing, Price of House, getting married, investment decision, quality of life, job required, location or convenience, Necessary to Raise up children.

4.1.3 Marital Status is associated with purchase Decision Like

Factors	Important	Not Important	Values	Significance	Df
Availability of housing loan	51	25	2.734	0.098	1
Price of House	51	25	0.867	0.352	
Getting Married	25	51	0.044	0.834	
Investment Decision	32	44	0.021	0.885	
Quality of life	52	24	0.013	0.908	
Job Required	58	18	4.412	0.036	
Location/ Convenience	46	30	1.828	0.176	
Necessary to Raise up children	34	42	0.105	0.746	

INTERPRETATION:

The above table 4.1.3 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that marital status is not associated with getting married, investment decision, quality of life, necessary to raise up children. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that marital status is associated with availability of financing, price of house, job required, location or convenience.

4.1.4 Education is associated with the purchase Decision like

Factors	Important	Not Important	Values	Significance	Df
Availability of housing loan	51	25	2.513	0.112	1
Price of House	51	25	0.202	0.653	
Getting Married	25	51	4.414	0.036	
Investment Decision	32	44	0.094	0.759	
Quality of life	52	24	0.074	0.786	
Job Required	58	18	3.663	0.056	
Location/ Convenience	46	30	0.433	0.510	
Necessary to Raise up children	34	42	0.197	0.657	

INTERPRETATION:

The above table 4.1.4 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that education is not associated with investment decision, quality of life, necessary to raise up children, price of house, location or convenience.. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that education is associated with availability of financing, job required, getting married.

4.1.5 Occupation is associated with the Purchase Decision like

Factor	Important	No Important	Values	Significance	Decision
Availability of housing loan	51	25	7.927	0.048	3
Price of House	51	25	0.690	0.876	
Getting Married	25	51	2.501	0.475	
Investment Decision	32	44	7.009	0.072	
Quality of life	52	24	6.576	0.087	
Job Required	58	18	9.123	0.028	
Location/ Convenience	46	30	4.165	0.244	
Necessary to Raise up children	34	42	4.883	0.181	

INTERPRETATION:

The above table 4.1.5 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that occupation is not associated with price of house. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that occupation is associated with availability of financing, job required, getting married, investment decision, quality of life, necessary to raise up children, location or convenience.

4.1.6 Salary is associated with the Purchase Decision like

Factors	Important	No Important	Values	Significance	Decision
Availability of housing loan	51	25	1.496	0.221	1
Price of House	51	25	2.951	0.086	
Getting Married	25	51	0.531	0.466	
Investment Decision	32	44	6.634	0.010	
Quality of life	52	24	5.985	0.014	
Job Required	58	18	0.100	0.752	
Location/ Convenience	46	30	0.031	0.861	
Necessary to Raise up children	34	42	0.619	0.431	

INTERPRETATION:

The above table 4.1.6 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that salary is not associated with job required, location or convenience,. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that salary is associated with availability of financing, getting married, investment decision, quality of life, necessary to raise up children, price of house.

4.1.7 Gender is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	0.081	0.776	1
Relative ease of obtaining loan	49	27	2.161	0.142	
Have other loan with other commercial banks	30	46	2.053	0.152	
More flexibility in the loan terms	39	37	0.007	0.933	
Recommended by friends/Relatives	29	47	1.529	0.216	
Loyalty Customers	19	57	0.179	0.672	

INTERPRETATION:

The above table 4.1.7 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that gender is not associated with cost of loan, more flexibility in the loan terms, loyalty customers. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that gender is associated with Relative ease of obtaining loan, Have other loan with other commercial banks, Recommended by friends/Relatives.

4.1.8 Age is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	9.289	0.098	5
Relative ease of obtaining loan	49	27	7.688	0.174	
Have other loan with other commercial banks	30	46	3.544	0.617	
More flexibility in the loan terms	39	37	16.629	0.005	
Recommended by friends/Relatives	29	47	2.796	0.731	
Loyalty Costomers	19	57	3.673	0.597	

INTERPRETATION:

The above table 4.1.8 shows the significance value is lesser than tabulated value. So the null hypothesis is rejected. It can be concluded that age is associated with cost of loan, more flexibility in the loan terms, loyalty customers, Relative ease of obtaining loan, Have other loan with other commercial banks, Recommended by friends/Relatives.

4.1.9 Marital status is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	1.033	0.309	1
Relative ease of obtaining loan	49	27	1.053	0.305	
Have other loan with other commercial banks	30	46	0.433	0.511	
More flexibility in the loan terms	39	37	2.094	0.148	
Recommended by friends/Relatives	29	47	0.017	0.898	
Loyalty Customers	19	57	1.382	0.240	

INTERPRETATION:

The above table 4.1.9 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that marital status is not associated with Have other loan with other commercial banks, Recommended by friends/Relatives, For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that marital status is associated with Relative ease of obtaining loan, cost of loan, more flexibility in the loan terms, loyalty customers.

4.1.10 Education is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	4.582	0.032	1
Relative ease of obtaining loan	49	27	1.4540	0.228	
Have other loan with other commercial banks	30	46	6.862	0.009	
More flexibility in the loan terms	39	37	0.791	0.374	
Recommended by friends/Relatives	29	47	0.413	0.520	
Loyalty Customers	19	57	0.938	0.333	

INTERPRETATION:

The above table 4.1.10 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that education is not associated with Recommended by friends/Relatives. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that education is associated with Relative ease of obtaining loan, cost of loan, Have other loan with other commercial banks, more flexibility in the loan terms, loyalty customers.

4.1.11 Occupation is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	4.720	0.193	3
Relative ease of obtaining loan	49	27	2.597	0.458	
Have other loan with other commercial banks	30	46	5.497	0.139	
More flexibility in the loan terms	39	37	3.486	0.323	
Recommended by friends/Relatives	29	47	4.211	0.240	
Loyalty Customers	19	57	0.495	0.920	

INTERPRETATION:

The above table 4.1.11 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that occupation is not associated with loyalty customers. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that occupation is associated with Relative ease of obtaining loan, cost of loan, Have other loan with other commercial banks, more flexibility in the loan terms, Recommended by friends/Relatives,

4.1.12 Salary is Associated with the factors in selecting your finance source like:

Factors	Important	Not Important	Values	Significance	Df
Cost of loan	50	26	0.266	0.606	1
Relative ease of obtaining loan	49	27	6.792	0.009	
Have other loan with other commercial banks	30	46	1.565	0.211	
More flexibility in the loan terms	39	37	0.072	0.788	
Recommended by friends/Relatives	29	47	1.780	0.182	
Loyalty Costomers	19	57	0.288	0.592	

INTERPRETATION:

The above table 4.1.12 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that salary is not associated with cost of loan, more flexibility in the loan terms, loyalty customers. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that salary is associated with Relative ease of obtaining loan, Have other loan with other commercial banks, Recommended by friends/Relatives.

4.1.13 Gender is Associated with the factors for not owning the home like:

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	0.048	0.827	1
High housing price	54	17	0.893	0.345	
High down payment requirement	33	38	0.092	0.762	
Lack of housing choice available	23	48	0.088	0.767	
Housing in my price range not available where i want to live	50	21	1.476	0.224	
Can't qualify for loan	26	45	3.165	0.075	
Cheaper to rent	28	43	0.101	0.750	
Have other loan commitments	22	49	2.274	0.132	

INTERPRETATION:

The above table 4.1.13 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that gender is not associated with Don't want to buy a home, high down payment requirement, lack of housing choice available, cheaper to rent. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that gender is associated with high housing price, Housing in my price range not available where i want to live, can't qualify for loan, have other loan commitments.

4.1.14 Age is Associated with the factors for not owning the home like:

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	4.381	0.496	5
High housing price	54	17	0.280	0.998	
High down payment requirement	33	38	6.035	0.303	
Lack of housing choice available	23	48	7.043	0.217	
Housing in my price range not available where i want to live	50	21	4.193	0.522	
Can't qualify for loan	26	45	1.736	0.884	
Cheaper to rent	28	43	10.552	0.061	
Have other loan commitments	22	49	5.596	0.347	

INTERPRETATION:

The above table 4.1.14 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that age is not associated with high housing price. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that age is associated with Housing in my price range not available where i want to live, can't qualify for loan, Don't want to buy a home, high down payment requirement, lack of housing choice available, cheaper to rent, have other loan commitments.

4.1.15 Marital Status is Associated with the factors for not owning the home like:

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	0.056	0.813	1
High housing price	54	17	0.022	0.882	
High down payment requirement	33	38	0.861	0.353	
Lack of housing choice available	23	48	1.423	0.233	
Housing in my price range not available where i want to live	50	21	0.365	0.546	
Can't qualify for loan	26	45	0.868	0.352	
Cheaper to rent	28	43	1.601	0.206	
Have other loan commitments	22	49	6.129	0.013	

INTERPRETATION:

The above table 4.1.15 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that marital status is not associated with high housing price, Housing in my price range not available where i want to live. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that marital status is associated with can't qualify for loan, Don't want to buy a home, high down payment requirement, lack of housing choice available, cheaper to rent, have other loan commitments.

4.1.16 Education is Associated with the factors for not owning the home like

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	0.483	0.487	1
High housing price	54	17	0.941	0.332	
High down payment requirement	33	38	0.244	0.621	
Lack of housing choice available	23	48	6.923	0.009	
Housing in my price range not available where i want to live	50	21	0.22	0.881	
Can't qualify for loan	26	45	8.390	0.004	
Cheaper to rent	28	43	0.946	0.331	
Have other loan commitments	22	49	3.726	0.054	

INTERPRETATION:

The above table 4.1.16 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that education is not associated with Housing in my price range not available where i want to live, Don't want to buy a home, high down payment requirement. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that education is associated with can't qualify for loan, lack of housing choice available, cheaper to rent, have other loan commitments, high housing price.

4.1.17 Occupation is Associated with the factors for not owning the home like

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	1.577	0.665	3
High housing price	54	17	2.398	0.494	
High down payment requirement	33	38	1.514	0.679	
Lack of housing choice available	23	48	1.619	0.655	
Housing in my price range not available where i want to live	50	21	0.460	0.928	
Can't qualify for loan	26	45	2.542	0.468	
Cheaper to rent	28	43	3.073	0.380	
Have other loan commitments	22	49	4.864	0.182	

INTERPRETATION:

The above table 4.1.17 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that occupation is not associated with Housing in my price range not available where i want to live. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that occupation is associated with can't qualify for loan, lack of housing choice available, cheaper to rent, have other loan commitments, high housing price, Don't want to buy a home, high down payment requirement.

4.1.18 Salary is Associated with the factors for not owning the home like

Factors	Important	Not Important	Values	Significance	Df
Don't want to buy a home	22	49	0.304	0.582	1
High housing price	54	17	0.761	0.383	
High down payment requirement	33	38	0.091	0.763	
Lack of housing choice available	23	48	2.577	0.108	
Housing in my price range not available where i want to live	50	21	2.390	0.122	
Can't qualify for loan	26	45	1.267	0.260	
Cheaper to rent	28	43	0.851	0.356	
Have other loan commitments	22	49	2.117	0.146	

INTERPRETATION:

The above table 4.1.18 shows for some factors the significance value is greater than tabulated value. So the null hypothesis is accepted. It can be concluded that salary is not associated with Don't want to buy a home, high down payment requirement. For few factors the significance value is lesser than the tabulated value. So the H₀ is rejected. It can be concluded that salary is associated with can't qualify for loan, lack of housing choice available, cheaper to rent, have other loan commitments, high housing price, Housing in my price range not available where i want to live.

4.2 PERCENTAGE ANALYSIS:

4.2.1 Type of accommodation:

S.no	Particulars	No. Of respondents	Percent
1	COMMON APPARTMENT	17	11.6
2	VILLAS	104	70.7
3	ECONOMICALLY AFFORDABLE HOUSING	26	17.7
	Total	147	100

INTERPRETATION:

Over 70% of people are living in the villas. So it tops the list and next is economically affordable house over 17%.remaining 11 % people are living in common apartments.

4.2.2 Size of home:

s. no	Particulars	No. Of respondents	Percentage
1	BELOW 200	7	4.8
2	201-250	9	6.1
3	251-300	18	12.2
4	301-350	20	13.6
5	ABOVE 350	93	63.3
	Total	147	100

INTERPRETATION:

Nearly 63.3% of people are living in the home whose size is above 350 square feet, 13.6% of people are in 301-350 square feet, 12.2% of people are in 251-300 square feet, 6.1% of people are in 201-250 square feet.

4.2.3 Structure of home:

s.no	Particulars	No. Of respondents	Percentage
1	1 BHK	62	42.2
2	2BHK	53	36.1
3	3 BHK	29	19.7
4	Others	3	2.0
	Total	147	100

INTERPRETATION:

42.2% of people are living in 1BHK home and 36.1% people are living in 2BHK home, 19.7% people are living in 3BHK.

4.2.4 Turned down from loan:

s.no	particulars	No of respondents	Percentage
1	Yes	18	12.2
2	No	129	87.8
	Total	147	100

INTERPRETATION:

Only 12.2% of the people are turned down from loan. In than 4.1 % of people due to insufficient income and 3.4% due to no collateral, 2.7% due to difficulty in meeting documents, 1.4% due to age, 0.7% due to gender.

4.2.4.1 Factors of turned down:

s. no	Particulars	No of respondents	Percentage
1	Insufficient income	6	4.1
2	No collateral	5	3.4
3	Difficulty in meeting documents	4	2.7
4	Age	2	1.4
5	Gender	1	0.7
	Total	18	12.3

4.2.5 First homeowner financing:

s. no	Particulars	No of respondents	Percentage
1	Yes	74	97.4
2	No	2	2.6
	Total	76	100

INTERPRETATION:

97.4% are the first-homeowner financing their homeownership, 2.6% of them are not.

4.2.6 Source of finance:

s. no	Particulars	No of respondents	Percentage
1	Cash from relatives/friends	9	11.8
2	From savings	14	18.4
3	Borrowed from commercial banks	64	84.2
4	Others	8	10.5

INTERPRETATION:

In the above table 4.3.2 maximum of 84.2% of the people are borrowed from commercial bank, 18.4% from savings, 11.8% from cash from relatives/friends.

4.2.7 Market value:

s.no	Particulars	No of respondents	Percentage
1	LESS THAN 2,00,000	1	1.3
2	2,00,000-3,90,000	4	5.3
3	4,00,000-5,90,000	2	2.6
4	6,00,000-7,00,000	1	1.3
5	8,00,000-9,90,000	13	17.1
6	ABOVE 1 MILLION	55	72.4
	Total	76	100

INTERPRETATION:

In the above table 72.4% of the people living in the home whose market value is higher than 1 million, 17.1% of the people are living in 0.8 to 0.99 million home, 5.3% of people living in 0.2 to .39 million home and 2.6% of people living in 0.4 to 0.59 million home.

4.2.8.1 Availability of financing:

s.no	particulars	No of respondents	Percentage
1	Very important	35	46.1
2	Important	16	21.1
3	Neutral	15	19.7
4	Less important	8	10.5
5	Not important	2	2.6
	Total	76	100

INTERPRETATION:

In the above table 46.1% of the people said it is very important factor, 21.1% of people said as important, 19.7% of people said as neutral, 10.5% of the people said less important and 2.6% of people said it is not at all important.

4.2.8.2 Price of house:

s.no	particulars	No of respondents	Percentage
1	Very important	39	51.3
2	Important	12	15.8
3	Neutral	19	25
4	Less important	5	6.6
5	Not important	1	1.3
	Total	76	100

INTERPRETATION:

In the above table Over 51.3% of people said that the price of house is an very important factor, 25% said it is neutral, 15.8% said it is important 6.6% said it is less important, 1.3 % of people said that it is not important.

4.2.8.3 Getting married:

s.no	Particulars	No of respondents	Percentage
1	Very important	9	11.8
2	Important	16	21.1
3	Neutral	8	10.5
4	Less important	20	26.3
5	Not important	23	30.3
	Total	76	100

INTERPRETATION:

In the above table 30.3% of people said it is not an important factor, 26.3% said it is less important, 21.1% said it is important, 11.8% said it is very important, 10.5% said it is neutral.

4.2.8.4 Investment decision:

s.no	Particulars	No of respondents	Percentage
1	Very important	21	27.6
2	Important	11	14.5
3	Neutral	17	22.4
4	Less important	14	18.4
5	Not important	13	17.1
	Total	76	100

INTERPRETATION:

In the above table 27.6% said it is very important, 22.4% said it is neutral, 18.4% said it is less important, 17.1% said it is not important, 14.5% said important.

4.2.8.5 Quality of life:

s.no	Particulars	No of respondents	Percentage
1	Very important	33	43.4
2	Important	19	25.0
3	Neutral	5	6.6
4	Less important	12	15.8
5	Not important	7	9.2
	Total	76	100.0

INTERPRETATION:

In the above table 43.4% of people responded it as an very important factor,25% of people said it as important factor,15.8% said it is less important factor,9.2% said it is nit important factor.

4.2.8.6 Job required:

s.no	Particulars	No of respondents	Percentage
1	Very important	49	64.5
2	Important	9	11.8
3	Neutral	7	9.2
4	Less important	4	5.3
5	Not important	7	9.2
	Total	76	100.0

INTERPRETATION:

In the above table 64.5% of people said that the job is very important factor, 11.8% said it is important factor, 9.2% said it is neutral and not important.

4.2.8.7 Location/convenience:

s.no	Particulars	No of respondents	Percentage
1	Very important	33	43.4
2	Important	13	17.1
3	Neutral	14	18.4
4	Less important	8	10.5
5	Not important	8	10.5
	Total	76	100.0

INTERPRETATION:

In the above table 43.4% of people said as the location/ convenience is the very important factor, 18.4% of the people said as neutral,17.1% said it as important, 10.5% said it as less and not important.

4.2.8.8 Necessary to raise up children:

s.no	Particulars	No of respondents	Percentage
1	Very important	21	27.6
2	Important	13	17.1
3	Neutral	15	19.7
4	Less important	12	15.8
5	Not important	15	19.7
	Total	76	100.0

INTERPRETATION:

In the above table 27.6% said as it is very important factor, 19.7% said as it is neutral and not important factor, 17.1% said it as important factor, 15.8% said it as less important factor.

4.2.9.1 Relative ease of obtaining loan:

s.no	Particulars	No of respondents	Percentage
1	Very important	30	39.5
2	Important	19	25.0
3	Neutral	14	18.4
4	Less important	9	11.8
5	Not important	4	5.3
	Total	76	100.0

INTERPRETATION:

39.5% of people said as it is very important factor, 25% of the people said it as important factor, 18.4% of people said as neutral, 11.8% of people answered as less important, 5.3% said as not important.

4.2.9.2 Have other loans with other commercial banks:

s.no	Particulars	No of respondents	Percentage
1	Very important	12	15.8
2	Important	18	23.7
3	Neutral	6	7.9
4	Less important	17	22.4
5	Not important	23	30.3
	Total	76	100.0

INTERPRETATION:

In the above table 30.3% of people said that it is not an important factor, 23.7% said it as important factor, 15.8% said it as very important factor, 22.4% said as it as an less important factor, 7.9% said it as neutral.

4.2.9.3 More flexibility in loan terms:

s.no	Particulars	No of respondents	Percentage
1	Very important	27	35.5
2	Important	12	15.8
3	Neutral	23	30.3
4	Less important	8	10.5
5	Not important	6	7.9
	Total	76	100.0

INTERPRETATION:

In the above table 35.5% of people said that it is an very important factor, 15.8% of them said it as important factor,30.3% said it is neutral, 10.5% said as it as an less important factor, 7.9% said it not important.

4.2.9.4 Recommended by friends/relatives:

s.no	Particulars	No of respondents	Percentage
1	Very important	14	18.4
2	Important	15	19.7
3	Neutral	11	14.5
4	Less important	11	14.5
5	Not important	25	32.9
	Total	76	100.0

INTERPRETATION:

In the above table 18.4% of people said that it is an very important factor, 19.7% of them said it as important factor,14.5% said it is neutral, 14.5% said as it as an less important factor, 32.9% said it not important.

4.2.9.5 Loyalty customers:

s.no	Particulars	No of respondents	Percentage
1	Very important	5	6.6
2	Important	14	18.4
3	Neutral	17	22.4
4	Less important	20	26.3
5	Not important	20	26.3
	Total	76	100.0

INTERPRETATION:

In the above table 6.6% of people said that it is an very important factor, 18.4% of them said it as important factor,22.4% said it is neutral, 26.3% said as it as an less important factor, 26.3% said it not important.

4.2.10 Type of housing loan:

s.no	Particulars	No of respondents	Percentage
1	Individual account housing loan	60	78.9
2	Authorized housing loans	5	6.6
3	Combined housing loans	9	11.8
4	Others	2	2.6
	Total	76	100.0

INTERPRETATION:

In the above table 78.9% of people took their loan as individual account housing loan,11.8% in combined housing loan, 6.6% in authorized housing loan, 2.6% in others.

4.2.11 Having account in the bank:

s.no	Particulars	No of respondents	Percentage
1	Yes	68	89.5
2	No	8	10.5
	Total	76	100.0

INTERPRETATION:

In the above table 89.5% of them having account in the bank where they got housing loan,10.5% not having account.

4.2.12 Repayment period:

s.no	Particulars	No of respondents	Percentage
1	10 years or less	35	46.1
2	11-20 years	34	44.7
3	21-30 years	6	7.9
4	Above 30 years	1	1.3
	Total	76	100.0

INTERPRETATION:

In the above table 46.1% of the people are having the repayment period of less than 10 years, 44.7% of them having between 11-20 years, 7.9% of people said as it is 21-30.

4.2.13 Own money:

s.no	Particulars	No of respondents	Percentage
1	Less than 20%	8	10.5
2	21%-30%	28	36.8
3	31%-40%	14	18.4
4	41%-50%	15	19.7
5	Above 50%	11	14.5
	Total	76	100.0

INTERPRETATION:

In the above table 36.8% of people have invested from 21% to 30% and only 14.5% invested above 50%, 19.7% invested 41-50%, 18.4% invested in 31%-40%.

s.no	Particulars	No of respondents	percentage
1	5	1	1.3
2	6	1	1.3
3	7	3	3.9
4	7.25	1	1.3
5	8	5	6.6
6	8.5	1	1.3
7	9	1	1.3
8	9.25	3	3.9
9	9.5	1	1.3
10	10	7	9.2
11	10.25	1	1.3
12	10.4	1	1.3
13	10.5	2	2.6
14	10.75	2	2.6
15	11	13	17.1
16	11.5	3	3.9
17	12	10	13.2
18	12.5	1	1.3
19	13	5	6.6
20	14	3	3.9
21	14.25	1	1.3
22	15	1	1.3
23	16	1	1.3
24	17	2	2.6
25	18	2	2.6
26	24	4	5.3
	Total	76	100.0

4.3.11 Collateral required:

s.no	particulars	No of respondents	Percentage
1	Yes	62	81.6
2	No	14	18.4
	Total	76	100.0

INTERPRETATION:

In the above table 81.6% required collateral and 18.4% doesn't need collateral.

4.4.1 Arrangement:

s.no	Particulars	No of respondents	Percentage
1	Live with parents/ relatives	10	14.1
2	Living in quarters provided by employer	10	14.1
3	Rent	51	71.8
	Total	71	100.0

INTERPRETATION:

In the above table 71.8% of non homeowners are living in the rental house, 14.1% are living in quarters and with parents,

4.2.15 Factors:

4.2.15.1 Don't want to buy a home:

s.no	Particulars	No of respondents	Percentage
1	Very important	17	23.9
2	Important	5	7.0
3	Neutral	4	5.6
4	Less important	7	9.9
5	Not important	38	53.5
	Total	71	100.0

INTERPRETATION:

In the above table 23.9% of people said that it is an very important factor, 7% of them said it as important factor,5.6% said it is neutral, 9.9% said as it as an less important factor, 53.5% said it not important.

4.2.15.2 High house pricing:

s.no	Particulars	No of respondents	Percentage
1	Very important	46	64.8
2	Important	8	11.3
3	Neutral	7	9.9
4	Less important	6	8.5
5	Not important	4	5.6
	Total	71	100.0

INTERPRETATION:

In the above table 64.8% of people said that it is an very important factor, 11.3% of them said it as important factor,9.9% said it is neutral, 8.5% said as it as an less important factor, 5.6% said it not important.

4.2.15.3 High down payment requirement:

s.no	Particulars	No of respondents	Percentage
1	Very important	19	26.8
2	Important	14	19.7
3	Neutral	14	19.7
4	Less important	9	12.7
5	Not important	15	21.1
	Total	71	100.0

INTERPRETATION:

In the above table 26.8% of people said that it is an very important factor, 19.7% of them said it as important factor, 19.7% said it is neutral, 12.7% said as it as an less important factor, 21.1% said it not important.

4.2.15.4 Lack of housing choice available where they want to live:

s.no	Particulars	No of respondents	Percentage
1	Very important	13	18.3
2	Important	10	14.1
3	Neutral	12	16.9
4	Less important	23	32.4
5	Not important	13	18.3
	Total	71	100.0

INTERPRETATION:

In the above table 18.3% of people said that it is an very important factor, 14.1% of them said it as important factor, 16.9% said it is neutral, 32.4% said as it as an less important factor, 18.3% said it not important.

4.2.15.5 Housing in my price range is not available where they want to live:

s.no	Particulars	No of respondents	Percentage
1	Very important	34	47.9
2	Important	16	22.5
3	Neutral	5	7.0
4	Less important	7	9.9
5	Not important	9	12.7
	Total	71	100.0

INTERPRETATION:

In the above table 47.9% of people said that it is an very important factor, 22.5% of them said it as important factor,7.0% said it is neutral, 9.9% said as it as an less important factor, 12.7% said it not important.

4.2.15.6 Can't qualify for loan:

s.no	Particulars	No of respondents	Percentage
1	Very important	21	29.6
2	Important	5	7.0
3	Neutral	5	7.0
4	Less important	9	12.7
5	Not important	31	43.7
	Total	71	100.0

INTERPRETATION:

In the above table 29.6% of people said that it is an very important factor, 7% of them said it as important factor,7% said it is neutral, 12.7% said as it as an less important factor, 43.7% said it not important.

4.2.15.7 Cheaper to rent:

s.no	Particulars	No of respondents	Percentage
1	Very important	18	25.4
2	Important	10	14.1
3	Neutral	8	11.3
4	Less important	18	25.4
5	Not important	17	23.9
	Total	71	100.0

INTERPRETATION:

In the above table 25.4% of people said that it is an very important factor, 14.1% of them said it as important factor, 11.3% said it is neutral, 25.4% said as it as an less important factor, 23.9% said it not important.

4.2.15.8 Have other loan commitments:

s.no	particulars	No of respondents	Percentage
1	Very important	16	22.5
2	Important	6	8.5
3	Neutral	4	5.6
4	Less important	5	7.0
5	Not important	40	56.3
	Total	71	100

INTERPRETATION:

In the above table 22.5% of people said that it is an very important factor, 8.5% of them said it as important factor, 5.6% said it is neutral, 7% said as it as an less important factor, 56.3% said it not important.

4.2.16 Gender:

s.no	particulars	No of respondents	Percentage
1	Male	108	73.5
2	Female	39	26.5
	Total	147	100.0

INTERPRETATION:

In the above table 73.5% of the respondents are male and 26.5% are female.

4.2.17 Age group:

s.no	Particulars	No of respondents	Percentage
1	Below 25	28	19.0
2	25-34	37	25.2
3	35-44	32	21.8
4	45-54	26	17.7
5	55-64	13	8.8
6	Above 65	11	7.5
	Total	147	100.0

INTERPRETATION:

In the above table 19% of the respondent are in the age group of below 25, 25.2% are in 25-34, 21.8% are in 35-44, 17.7% in 45-54, 8.8% are in 55-64, 7.5% in above 65 age group.

4.2.18 Marital status:

s.no	Particulars	No of respondents	percentage
1	Single	34	23.1
2	Married	111	75.5
3	Divorced/separated	2	1.4
	Total	147	100.0

INTERPRETATION:

In the above table 23.1% of the people are single, 75.5% are married, 1.4% are divorced/separated.

4.2.19 Occupation:

s.no	Particulars	No of respondents	Percentage
1	Professional	17	11.6
2	Self employer	43	29.3
3	Staff	59	40.1
4	Unemployed	28	19.0
		147	100

INTERPRETATION:

In the above table 11.6% are professional, 29.3% are self employer, 40.1% are staff, 19% are unemployed.

4.2.20 Monthly household income:

s.no	Particulars	No of respondents	Percentage
1	4000 or less	8	5.4
2	4001-8000	17	11.6
3	8001-12000	27	18.4
4	12001-16000	16	10.9
5	16001-20000	19	12.9
6	20001-24000	23	15.6
7	Above 24000	37	25.2
	Total	147	100.0

4.2.21 Credit card:

s.no	Particulars	No of respondents	Percentage
1	Yes	39	26.5
2	No	108	73.5
	Total	147	100.0

INTERPRETATION:

In the above table 26.5% of respondent are having credit card and 73.5% of respondent are not having credit card.

4.3 RANK ANALYSIS:

4.3.1 Factors determining their decision to purchase home:

Rank	Factor name	Scores
1	Job.	139
2	Price of house.	145
3	Availability of financing.	154
4	Quality of life.	169
5	Location.	173
6	Investment decision.	215
6	Necessary to rise up children.	215
7	Getting married.	260

INTERPRETATION:

From the above table it is clear that the job is the main factor that affects the purchase decision of home. Its score is 139. And it is followed by price of house with the score of 145, availability of financing with the score of 154, quality of life with the score of 169, location with the score of 173, investment decision with the score of 215, necessary to raise up children with the score of 215 and getting married with 260 score.

4.3.2 Factors in selecting their own financing source:

Rank	Factor name	Scores
1	Cost of loan.	166
1	Relative ease of obtaining loan.	166
2	More flexibility in loan terms.	182
3	Recommendation of friends and relatives.	246
4	Have other loans with other commercial banks.	249
5	Loyalty customers.	264

INTERPRETATION:

The table describes clearly that the cost of loan and relative ease of obtaining loan are in top with the score of 166, More flexibility in loan terms in second with the score 182, Recommendation of friends and relatives with 246 score, Have other loans with other commercial banks with the score of 249, loyalty customers with the score of 264.

4.3.3 Factors for not owning the house:

Rank	Factor name	Scores
1	High housing price.	127
2	High price of house where they want to live.	154
3	High down payment requirement.	200
4	Cheaper to rent.	219
5	lack of availability of house where they want to live.	226
6	Can't qualify for loan.	237
7	Don't want to buy a home.	257
8	Having other loan commitments.	260

INTERPRETATION:

In the above table High housing price is at the top with the score of 127, High price of house where they want to live at second with 154 score, High down payment requirement is at third with 200 score followed by Cheaper to rent with 219, lack of availability of house where they want to live with 226, Can't qualify for loan with 237, Don't want to buy a home with 257, Having other loan commitments with 260.

5. FINDINGS, SUGGESTIONS AND CONCLUSIONS

In this chapter we are discussing about the findings, suggestions and conclusion of the project. Here the main factor that affects the purchase decision of the home is job. It is ranked first because people in Coimbatore thought that they do not want to take any unwanted risk but they are always ready to take some calculated risk. Next most influence factor is price of house. People in Coimbatore are want to buy the house in an affordable price. People in Coimbatore are giving less importance to the factor getting married. While selecting the financial sources the main factor that they are considered is cost of loan. As many people who are going for loan is middle class they want to lower the cost of capital. And those middle class people are working they cannot able to spend most of the time so prefer the source where they can get the loan somewhat easier. They won't see whether the bank having the loyal customers or not. Many people have the aspiration to own a house but the main reason for not owning the house is high housing price. As many of the people in india are middle class and the price of house is increasing they cannot able to own a house.

The financier should make the clients to feel comfort and they should explain the loan terms clearly. They should reduce the cost of loan as much as possible and the process of getting loan should be reduced if not at least should reduce the consumption of time to get the loan as the people in Coimbatore have very busy schedule.

Many people have said that they cannot get their home loan mainly because of their native was not in Coimbatore and they were been living here for their work. So banks may do some favour for them by changing their rules and regulations.

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APPENDIX**ACCESSIBILITY OF HOUSING LOAN AFFECT ON HOMEOWNERSHIP IN
COIMBATORE****NAME:****PHONE NO:****SECTION 1 GENERAL INFORMATION:**

1. What type of accommodation do you live in?

- | | |
|----------------------------------|------------------------------------|
| a. Common apartment | b. Luxury apartment |
| c. Villas | d. Economically affordable housing |
| e. Other(s) please specify _____ | |

2. What is the approximate size of your home?

- | | |
|--------------------------|------------------------|
| a. Below 200 square feet | b. 201-250 square feet |
| c. 251-300 square feet | d. 301-350 square feet |
| e. Above 350 square feet | |

3. What is the structure of your home you live in?

- | | |
|------------|------------|
| a. one BHK | b. two BHK |
|------------|------------|

c. three BHK
specify_____

d. Other(s) please

4. Have you been turned down from a loan before?

a. Yes (Please go to Q 5.) b. No (Please go to Q 6.)

5. What was/were the reason(s) given by the lender (formal and/or informal) for turning down

your loan application? (You can choose more than one reason)

a. Insufficient Income/Asset
credit record)

b. Incurred previous loan(s) (bad

c. Had no Dcollateral
required documents

d. Had difficulty in meeting

e. Age

f. Gender

h. Other(s) please specify_____

6. Do you own a home either outright or have a mortgage?

a. Yes (Please go to **Section 2 & 4**)

b. No (Please go to **Section 3 & 4**)

SECTION 2 HOMEOWNERS INFORMATION:

1. Are you a First-homeowner financing your homeownership?

a. Yes b. No

2. How did you finance your home loan? (you can choose more than one choice)

- a. Cash from friends/relatives
 b. From savings
 c. Borrowed from commercial banks
 d. Other(s) please specify
-

3. What is the current market value of your home?

- a. Less than Rs 200,000
 b. Rs 200,000 – 390,000
 c. Rs 400,000 - 590,000
 d. Rs 600,000 – 790,000
 e. Rs 800,000 - 990,000
 f. Rs 1million or above
 g. Other(s) please specify

4. How important were the following factors in determining your decision to purchase

your home? Please CIRCLE (1-5) the degree of importance for each of the factors

(where 1 indicates very important and 5 indicates not important at all).

- | | | | | | |
|-----------------------------------|---|---|---|---|---|
| a. Availability of financing | 1 | 2 | 3 | 4 | 5 |
| b. Price of house | 1 | 2 | 3 | 4 | 5 |
| c. Getting Married | 1 | 2 | 3 | 4 | 5 |
| d. Investment decision | 1 | 2 | 3 | 4 | 5 |
| e. Quality of life | 1 | 2 | 3 | 4 | 5 |
| f. Job required | 1 | 2 | 3 | 4 | 5 |
| g. Location/ Convenience | 1 | 2 | 3 | 4 | 5 |
| h. Necessary to raise up children | 1 | 2 | 3 | 4 | 5 |
| i. Other(s) please specify_____ | | | | | |

5. How important are the following factors in selecting your finance source?

Please

CIRCLE (1-5) the degree of importance for each of the factors (where 1 indicates very

important and 5 indicates not important at all).

a. Cost of loan	1	2	3	4	5
b. Relative ease of obtaining loan	1	2	3	4	5
c. Have other loans with other commercial bank	1	2	3	4	5
d. More flexibility in the loan terms	1	2	3	4	5
e. Recommended by friends/relatives	1	2	3	4	5
f. Loyalty customers	1	2	3	4	5
g. Other(s) please specify _____					

6. If you finance your housing loan from a bank, what type of housing loans did you applied for?

- | | |
|-------------------------------------|-----------------------------|
| a. Individual account housing loans | b. Authorized housing loans |
| c. Combined housing loans | d. Others |

7. If your house finance is from a bank, did you have an account with the bank?

- a. Yes b. No

8. What is the duration of your housing loan?

- | | |
|---------------------------------|-------------------|
| a. 10 years or less | b. 11 – 20 years |
| c. 21- 30 years | d. Above 30 years |
| e. Other(s) please specify_____ | |

9. How much was the house down payment as a percent of the price for the home?

- | | |
|------------------|---------------------------------|
| a. less than 20% | b. 21% to 30% |
| c. 31%to 40% | d. 41% to 50% |
| e. over 50% | f. Other(s) please specify_____ |

10. What is the variable interest rate charged to your loan last year?
 _____% per annum.

11. What is your mode of payment?

- | | |
|----------------------------------|------------------|
| a. Fortnightly | b. Monthly |
| c. Quarterly | d. Semi-Annually |
| e. Annually | |
| f. Other(s) please specify _____ | |

12. Are there any additional charges for your loan?

- a. Yes b. No

13. Did your loan require collateral or security?

- a. Yes b. No

SECTION 3: NON-HOMEOWNERS INFORMATION:

1. What would best describe your current housing arrangements?

- | | |
|--|--|
| a. Live with parents /relatives
by employer | b. Living quarters provided
by employer |
| c. Rent
_____ | d. Other(s) please specify
_____ |

2. Have you ever applied for a housing loan financing before?

- a. Yes (Please go to Q3.) b. No (Please go to Q4.)

3. Who was the source of the housing loan finance?

- | | |
|--|---------------------------------------|
| a. Cash from friends/relatives | b. From savings |
| c. Borrowed from commercial banks
companies | d. Borrowed from finance
companies |
| e. Other(s) please specify _____ | |

4. How important are the following factors for not owning a house? Please circle (1-5) the degree of importance for each of the factors. (where 1 indicates very important and 5 indicates not important at all)

Don't want to buy a home	1	2	3	4	5
High housing price	1	2	3	4	5
High down payment requirement	1	2	3	4	5
Lack of housing choice available where I want to live (e.g., no condos; no single-family homes; etc.)	1	2	3	4	5
Housing in my price range is not available where I want to Live	1	2	3	4	5
Can't qualify for a loan	1	2	3	4	5
Cheaper to rent	1	2	3	4	5
Have other loan commitments	1	2	3	4	5
Other(s) please specify_____					

SECTION 4: BOTH HOMEOWNERS AND NON-HOMEOWNERS INFORMATION:

1. What is your gender?

a. Male b. Female

2. Which age group do you belong to?

- a. Below 25
- b. 25 – 34
- c. 35 – 44
- d. 45 – 54
- e. 55 – 64
- f. Above 65

3. What is your marital status?

- a. Single/never married
- b. Married
- c. Divorced/separated
- d. De facto relationship

4. Which is the highest level of education you have completed?

- a. Primary school or lower
- b. Middle school
- c. High school
- d. Diploma
- e. Bachelor degree
- f. Master degree
- g. Other(s) please specify_____

5. What is your occupation?

- a. Professional (lawyer, scientists, engineers, teachers, doctors etc.)
- b. Self employer
- c. Civil Servant
- d. Company Managerial staff
- e. Owner of Private Enterprise
- f. Normal company staff
- g. Unemployed
- h. Retired
- i. Other(s) please specify_____

6. What is your Household Monthly Income before tax?

- a. 4000 Rs or less
- b. 4001 to 8000 Rs
- c. 8001 to 12000 Rs
- d. 12001 to 16000 Rs
- e. 16001 to 20000 Rs
- f. 20001 to 24000 Rs
- g. above 2400 Rs

7. How long have you been working full-time?

- a. less than a year
- b. 1 year to 5 years
- c. 6 years to 11 years
- d. 12 years and above

8. Which of the following best describes your household?

- a. Adult living alone
- b. Single parent with child(ren)
- c. Couple, no child(ren)
- d. Couple, with child(ren)
- e. Other(s) please specify _____

9. How many persons live in your household (including yourself)?

- a. One
- b. Two people
- c. Three people
- d. Four people and above

10. How many dependents (non-working people such as children and the elderly) are there in your household?

- a. Less than 2
- b. 2 to 4
- c. 5 and above
- d. None

11. Do you own a credit card (example visa, master card, etc.)

- a. Yes b. No