PARADIGM SHIFT OF HOME BUYER'S POST COVID

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Abstract -
Purchase of house considered as the biggest and the most crucial decision in Human's life. While investing in the most expensive purchase, humans tend to have various parameters to be fulfilled before the purchase of residential building. The Price, location, amenities, space & availability of loan play the major deciding factor influence. Coming to present day the Covid-19 has an excessively substantial impact on the economic status of both the buyer and seller. The major effect of covid-19 happened to construction industry when compared to other industries. The buyer's savings is decreasing day by day and his salary is being cut down because of WFH situation. Hence the perspective of the buyer towards constructing home may change, to understand that is the objective of this research. This paper aims to study about the perceptive change of the consumers in buying home a) who already decided to buy home, b) people yet to decide to buy home and c) people who do not want to buy a home now, the restricting factors from buying a home, and to understand the impact of covid-19 upon home construction.

Keywords - Covid-19, Buyer Behaviour, Factors Influencing the Decision of Buyers.

I. INTRODUCTION

Without exception, consumer behaviour research always has consumer decision-making at its core and over time scholars have made considerable effort to explain the dimensions of consumer. Alet C.Erasmus, Suné Donoghue a, Thomas Dobbelstein (2014).
Decision-making Purchase of house considered as the biggest and the weightiest decision in Human's life. While investing in the most expensive purchase, humans tend to have various parameters to be fulfilled before the purchase of residential building. The budget, location, amenities, & space play the major deciding factor influence. Depending up on the demographics the purchase behaviours of the humans tend to Change a lot. Understanding the factors influencing consumers' behaviour to purchase real estate in market is important. It can provide crucial insight for decision-makers and policy-developers into managing the housing demand Tawfik Salah AL-Nahdi,Emmanuel Nyakwende, Adnan M. Banamah, Achmat Ahdiel Jappie(2014). Construction of a residential building is not cheap in the current world economy. Coming to present day the Covid-19 has an excessively significant impact on the economic status of both the buyer and seller. The buyers' savings is decreasing day by day and his salary is being cut down because of WFH situation. Whereas for the seller as the buyers do not have a stable economic condition as they did before. Covid-19 disrupted the lives of normal consumers badly and that paved the way to a whole new perception and definition of factors affecting the consumer behaviour. Through this research we are trying to explore the broad question of whether the consumer behavioural trends which was displayed before the wake of pandemic follows post pandemic around purchasing home.

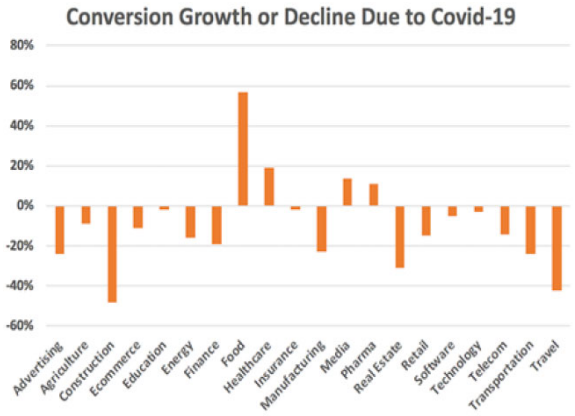


Fig 1: Conversion growth or decline due to covid-19

II. LITERATURE REVIEW

House plays a significant role in human's life. And a home is considered as a big asset and a basic human need. Due to the covid –19 affordability of homeownership has been affected and people's perception towards the home buying completely changed. The shock caused by the COVID-19 is having a significant impact even overall. Comparing to the previous shocks caused by the previous pandemic which is idiosyncratic, this pandemic made the world stuck and immobilized. Due to the change in perception of people it is important to understand the factors that caused this change in their mind. Residential property purchase decision is a conclusion after consideration of buying a house or real estate. It combines with numerous factors from sociology, psychology, and economics which seek for understanding in the process of buying decision making of a buyer (Azad and Roshan, 2014).

2.1. HOUSE PURCHASE INTENTION

Finance:

Finance is an incredibly principal factor for customers to consider when purchasing housing (Hinkle and Combs,1987; Kaynak& Stevenson; Si, 2012). Finance every time have a high influence on customers every time, they buy a home. Recently due to the pandemic its significance increased. Due to covid-19 people lost their job and lockdown made it worse hence it effected both consumer and the retailer. Hence finance is taken as one of the independent factors.

Location:

Location plays a vital role while choosing the property to build house. Location can be defined as a place where interacting with the accessibility of convenience that people could gain to satisfy their preference (Zrobek et al., 2015). The buyers usually check the area surrounding and the facilities like transportation, easy availability of daily goods and the location near to their work. In today's scenario the location near to work plays least significant role because a greater number of companies prefer work from home for years that effected the purchase very effectively and people choose to be with their family more like the Batchler's and family men all prefer to be near with their family due to this pandemic is the major change that occurs. Hence location is taken as one of the independent factors.

III. RESEARCH METHODOLOGY

Self-constructed survey questionnaires were given online to 88 potential residential property buyers. Respondents should meet the following criterion:

- 25years old and above.
- Must have work; and,
- Must have plans to buy residential property

The questionnaire consists of two main sections. The first section asks about the respondent's characteristics. The second asking about location and finance. To assess the five-point Likert Scale was used (ranging from 1, Strongly disagree to 5, Strongly Agree).

In this study, the statistical tool gretl analysis was applied for the data profile and the hypotheses testing. The following analysis was used: Descriptive Analysis was used to analyse the demographic information of respondents. As well as ordinary least square regression method was used for factor analysis using gretl software these hypotheses are used for validate and to check the reliability of the research.

IV. RESULTS AND DISCUSSION

Table 1 shows that the demographic profile of the respondents is primarily male (62.5%), 41 years old and above (31.18%), college graduate (63.6%), and with family size of 4 members (31.18%).

Demographic profile	Groups	Frequency	Percentage
Sex	Male	55	62.5
	Female	33	37.5
Age	>30	20	22.72
	31-40	25	28.40
	41-50	28	31.81
	50+	15	17.05
Education	High school	0	
	Collage graduate	56	63.63
	Post graduate	32	36.36
Occupation	Self-employed	41	46.59
	Supervisory	29	32.95
	Manager	18	20.45
Number of family members	1	0	
	2	19	21.59
	3	25	28.40
	4	28	31.81
	5+	16	18.18

Table 1: Demographic Profile of the Respondents

From the questionnaire 88 response were collected and the Location and Finance is taken as the independent factors and from these independent factors the dependent factors were taken. Choice of location before and after covid, property situated near to schools, collages, hospitals, malls etc, good transportation, property near to your work location, planned budget after and before covid, price of property influence, planned budget before and after covid, amenities affect budget, interiors are taken as the dependent factors. And then the analysis is done by Ordinary least square regression method using the gretl software and the results optioned from that are

Factors Which Influence the change in mindset of people: -

- Age – P value(F) – 0.016867 < 5% - Has influence
- Your Preferred choice of Location before Covid – P Value (F) – 5.35e-06 – has influence
- Your Preferred choice of Location after Covid – P Value (F) – 5.07e-08 – has influence
- Transportation facility near your property after covid – P Value (F) – 0.082846 – Has influence

The results that we obtained was very surprising like even now the finance does not matters and location preference stays the major factor that influence the home buyers even before and after covid. People want to do the same with their home even though there exist many obstructions. When 44.3% people prefer finance of the property 55.7% prefer the location

V. CONCLUSION

The demographic profile of the respondents is primarily male, 41 years old and above, college graduate, with family size of 4 members.

All factors reliability was considered acceptable in this study. price, location, considered major factor and it is studied that more than finance of the property location matters more for the people. On the other hand, Location is rated high important in terms of buying residential property.

The study is conducted for potential residential property buyers. It is recommended for the future researchers to increase the scope of the study to take more factors which influence the home buyers post covid to make the research more distinct and more expressive.

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