CHAPTER 53

Development of Real Estate Business in Maharashtra

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ABSTRACT

This study introduces key factors responsible for successful business development in Maharashtra real estate and analyses existing strategies employed by real estate companies. The real estate industry is influenced by investor behaviour, knowledge, risk management, and demographics. A framework is proposed to help companies establish business by analysing market trends, supply-demand dynamics, and opportunities across different segments. The study also aims to forecast future market conditions and understand the diverse needs, preferences, and behaviour patterns of various customer segments, for the residential buyers, to strategize development projects and marketing efforts accordingly. A comprehensive methodology for real estate business development involves a strategic, research-driven approach that aligns market demands with innovative solutions. The process begins with in-depth market analysis to identify trends, target demographics, and emerging opportunities. Feasibility studies assess financial viability, risks, and returns on investment. Strategic partnerships with architects, contractors, and financial institutions streamline project execution. The goal is to create value, assess risks, ensure profitability, and align business objectives for sustainable growth. Market research and analysis help identify target demographics, demand trends, competition, and economic conditions. Feasibility studies assess financial viability by evaluating development costs, funding options, projected revenues, risks, and regulatory constraints, ensuring projects align with financial goals. Strategic planning and partnerships with investors, contractors, and suppliers secure funding and streamline development. Marketing and sales strategies position properties in the market through digital marketing, social media, real estate networks, and traditional advertising to attract buyers, tenants, and investors.

Keywords: Real estate development; Real estate business strategies; Operational challenges; Marketing strategies.

1.0 Introduction

Carrying out the business development in real estate has to do with the identification of opportunities that can be translated into prospects.

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It, therefore, aims at forming partnerships with like-minded people in order to boost the momentum of the business. The real estate sector in India is dynamic and competitive such that marketing and strategic planning will have to form the basis for differentiating such firms in business. Key stages include land acquisition, financing, design, construction, and finally sales. The other decisive factors of the real estate scenario in Maharashtra are those of investor behavior, market knowledge, risk management, and demographics. This study can provide insight related to expanding-related strategic decision-making and increasing service quality. Real estate is important for the urban expansion as it provides housing, schools, hospitals, and commercial spaces. It leads to economic progression by adapting to ever-changing population dynamics and lifestyle changes. Demand forecasting is the most important thing in making investment decisions based on the fact that in Maharashtra, housing demand depends on income levels, locational advantages, and infrastructure facilities.

1.1 Need for the study

To ensure growth and profitability within its real estate sector, the state of Maharashtra will have to adopt a strategic business approach. Real estate development plays an important role in urban infrastructure, and meeting housing demands, while also being significant to economic stability. Transitioning from one stage of city development to another, businesses have to adapt to changing demographics and market conditions. The present study highlights the important factors influencing the sector and provides a framework to enhance the sustainability and competitiveness of industry business.

1.2 Objectives

This research explores and evaluates the Success Factors Influencing the Real Estate Sector in Maharashtra by the identification of business models and trend analyses. It investigates the supply-demand equation, the kind of buyers, and whether RM is financially feasible to think of further actions to develop the strategic development plan and marketing program. There will also be an investigation of urbanization and infrastructure development trends to tap into future investment opportunities. Effective business strategies would be initiated to earn profits and continue in operation.

1.3 Problem definition

This research addresses critical issues, including:
- The impact of demographics on real estate preferences.
- Emerging market niches and untapped opportunities.
- Key factors influencing buyers' decisions in real estate transactions.
- Effective marketing strategies for different buyer segments.
- Regulatory and policy challenges affecting real estate development.
- The influence of macroeconomic factors on real estate investments.

1.4 Scope of work

This study touches upon the difficulties that developers face with compliance, finance, volatility, and some key stakeholder`s management. It highlights the formulation of business and marketing strategies for real estate developers and companies wanting to expand. The research will showcase views from developers, project managers, and buyers who belong to the age group of 22-45, located in metros such as Mumbai, Pune and other cities in Maharashtra. The findings should assist the businesses in identifying the opportunities for growth and efficiently approaching the obstacles in this field.

2.0 Literature Review

Several Studies Highlighted Various factors that influenced the factors development of real business in real estate. Bakri *et al.*, (n.d.) identified various success factors such as leveraging the 4Ps of marketing, ensuring operational efficiency and market dynamics. Hassan *et al.*, (2021) studied various factors that can influence the real estate buying decision, which will be beneficial to various researchers, developers and other professionals related to the industry. While Hoang-Tien (2022) identified various matrix for analyzing the strategies used by the real estate developers. The key strategy identified was SWOT matrix. Additionally, strategic matrices like the BCG, McKinsey, and Arthur D. Little (ADL) models aid in assessing market position, business growth potential, and investment strategies. These frameworks collectively help real estate developers refine their strategies and improve decision-making. Parrikar (2018). Provided a comprehensive analysis of critical factors shaping the Maharashtra real estate sector. By examining affordability, market dynamics, and policy implications, the study provided a valuable takeaway for real estate business development project. Basu (n.d.) explored various objectives to study the trends in major global housing markets, growth phases of housing in India, understanding the national housing shortage and to study the various housing market segments of Pune city.

3.0 Research Methodology

The research methodology is a combination of quantitative and qualitative research methods. It includes both primary and secondary data collection methods to analyse Growth, development and challenges that a real estate developer faces from initial days of the business and in the later stages of the business. The methodology consists of all the Market trends, Business opportunities and the challenges faced by the developers. The main aim of Data collection was to understand:

- The key factors influencing real estate development in Maharashtra.
- The challenges faced by developers and solutions for business growth.
- The preferences and decision-making factors of real estate buyers

Both Primary and Secondary data was used to analyse the current market trends, the strategies used by the developers to establish themselves into the Real Estate Market, their preferred method to create a brand reputation in the market, marketing strategies used to establish credibility and trust with potential buyers. The survey form for the potential buyer helped used in understanding the preferred type of project and the sources used by potential buyers to get information about the ongoing real estate projects.

3.1 Data collection methods

Two surveys were conducted: one with professionals in development and real estate regarding the challenges in business, investment prospect, and marketing strategies; and the other with potential buyers, ages 23 to 45, on their preferences for purchasing decisions, decision-making factors, and preferred marketing channels. Case studies of Maharashtra-based real estate firms provided some insights into successful business strategies and common challenges.

3.2 Data analysis methods

A structured approach was used to analyse the data:

- *Qualitative analysis:* Descriptive statistics and thematic analysis identified patterns in market trends, business strategies, and stakeholder perspectives.
- *Quantitative analysis:* We analysed numerical data obtained from surveys, to quantify trends and relationships within the real estate sector.
- *Content analysis:* The primary objective of content analysis is to identify the key trends in real estate business development, to understand the stakeholder perspective, to evaluate the marketing and business strategies used by the developers The Content analysis is systematic divided into key areas like
  - Market Trends and Demand Analysis
  - Challenges in Real Estate Development
  - Business and Marketing Strategies

This systematic content analysis provides an objective and well-organized evaluation of Maharashtra's real estate sector. The study offers data-backed insights to assist developers, investors, and policymakers in making informed decisions. The structured approach ensures reliability, accuracy, and a holistic understanding of the opportunities and challenges in the market.

4.0 Data Analysis and Findings

The research conducted on the development of the real estate business in Maharashtra aimed to identify key factors influencing real estate development, challenges faced by developers, and buyer preferences. The study utilized both primary and secondary data

collection methods, including surveys from real estate developers, employees, and potential buyers. Below are the key findings from the research. The sample size for the data was from 100 respondents. Some of the key respondents were like Founders, developers, project managers, sales managers and buyers. An Online Survey form was created to collect data from all the respondents.

4.1 questionnaire development

The questionnaire was divided into Eight sections

- Challenges Faced by Real Estate Developers in Maharashtra.
- Factors Influencing Real Estate Demand in Maharashtra.
- Factors Influencing Real Estate Purchase Decisions.
- Preference for Ready-to-Move vs. Under-Construction Properties.
- Marketing Strategies for Real Estate Developers.
- Property Type Preferences Among Buyers.
- Importance of Brand Reputation in Buyer Decisions.
- Preferred Marketing Channels for Real Estate Buyers.

The questionnaire primarily used closed-ended questions, including multiple-choice questions & Likert scale ratings, to ensure consistency and facilitate quantitative analysis. Additionally, open-ended questions were included to capture respondent qualitative insights. A pilot study of 10 respondents was conducted to study test the clarity and reliability of the questions. Few modifications were made based on the feedback of the respondents

Table 1: Descriptive Table on Challenges Faced by Real Estate Developers in their Initial Days

Challenge	Mean Score	Mode	Standard Deviation	Key Insights
Securing funding or investment	3.76	5	1.23	Financial constraints are a major hurdle for developers.
Understanding market demand	3.57	5	1.21	Moderate difficulty in understanding market trends and buyer preferences.
Building a reliable team	3.57	3	1.06	Mixed perceptions; some find it manageable, while others struggle.
Finding suitable land or properties	3.80	5	1.18	Land acquisition is the most challenging factor due to high costs and scarcity.
Navigating legal and regulatory requirements	3.66	5	1.20	Legal complexities and compliance issues are significant barriers.

4.2 Detailed research on perspective of developers, managers and buyers from the state of Maharashtra

4.2.1 Challenges faced by real estate developers in Maharashtra

The study identified several challenges faced by real estate developers when starting and running their businesses. The following table summarizes the key challenges and their severity based on a Likert scale (1 = Least Challenging, 5 = Most Challenging):

4.2.2 Factors influencing real estate demand in Maharashtra

The study aimed to find out the most important factors that influence the demand for real estate projects in Maharashtra. The following table presents the key factors and their impact on demand:

Table 2: Descriptive Analysis on Factors Influencing Real Estate Demand in Maharashtra

Factor	Mean Score	Mode	Standard Deviation	Key Insights
Land price and acquisition	4.27	5	1.02	High land costs significantly impact demand.
Return on Investment (ROI)	3.76	5	1.19	ROI is a key consideration for investors.
Target audience	4.05	5	1.11	A well-defined customer base is crucial for demand.
Market competition	3.88	4	1.04	Competitive pricing and market entry strategies are important.
Future growth potential	4.22	5	1.08	Buyers and investors prioritize long-term value appreciation.
Proximity to market	3.88	5	1.05	Accessibility to key locations influences demand.
Tax incentives	3.52	3	1.12	Financial benefits are considered but are not the primary driver of demand.
Zoning and development laws	3.92	5	1.10	Regulatory policies impact project approvals and demand.

4.2.3 Factors influencing real estate purchase decisions

The study examined the factors that influence buyers' decisions when purchasing real estate. The following table summarizes the key factors and their importance:

4.2.4 Preference for ready-to-move vs. under-construction properties

The study analyzed buyer preferences for ready-to-move-in (RTMI) properties versus under-construction properties. The following table summarizes the findings:

Table 3: Descriptive Analysis on Factors Influencing Real Estate Purchase Decisions

Factor	Mean Score	Mode	Standard Deviation	Key Insights
Location	4.38	5	0.89	Location is the most critical factor for buyers.
Price	4.12	4	1.02	Affordability and budget considerations are crucial.
Reputation of developer	3.89	5	1.08	Buyers prefer trusted and well-established developers.
Property type	3.75	4	1.06	Buyers consider property type but prioritize location and price.
Amenities	3.82	4	1.07	Amenities add value but are secondary to location and price.
Return on Investment (ROI)	4.05	5	1.04	Buyers consider future appreciation and rental income.

Table 4: Analysis on Preference for Ready-to-Move vs. Under-Construction Properties

Preference	Frequency	Percentage (%)	Key Insights
Ready-to-Move (RTMI)	41	51.25%	Majority prefer RTMI properties due to immediacy and lower risk.
Under-Construction	14	17.50%	Fewer buyers prefer under-construction properties due to delays and risks.
Not Sure	25	31.25%	A significant portion of buyers are undecided, influenced by pricing and trust.

Table 5: Descriptive Statistics Analysis on Marketing Strategies for Real Estate Developers

Marketing Strategy	Mean Score	Mode	Standard Deviation	Key Insights
On-Time Delivery	4.32	5	1.10	Timely project completion is the most effective trust-building strategy.
Marketing & Branding Campaigns	4.00	5	1.12	Strong branding and marketing campaigns enhance credibility.
Customer Testimonials	3.78	4	1.11	Testimonials are moderately effective in building trust.
Social Media Engagement	3.79	5	1.13	Social media is increasingly important for customer interaction.
Demonstration Projects	3.92	5	1.14	Physical project showcases help in building buyer confidence.

4.2.5 Marketing strategies for real estate developers

The study identified the most effective marketing strategies used by real estate developers to build trust and credibility with potential buyers. The following table summarizes the key strategies:

4.2.6 Property type preferences among buyers

The study also examined buyer preferences for different types of properties. The following table summarizes the findings:

Table 6: Analysis on Property Type Preferences among Buyers

Property Type	Frequency	Percentage (%)	Key Insights
Residential	48	48.00%	Residential properties are the most preferred type.
Mixed-Used Properties	36	36.00%	Mixed-use properties are gaining popularity due to convenience.
Commercial	16	16.00%	Commercial properties have a niche demand among investors.

4.2.7 Importance of brand reputation in buyer decisions

The study analysed the importance of brand reputation in influencing buyer decisions. The following table summarizes the findings:

4.2.8 Preferred marketing channels for real estate buyers

The study identified the most preferred marketing channels used by buyers to inquire about and purchase real estate properties. The following table summarizes the findings:

Table 7: Analysis on Importance of Brand Reputation in Buyer Decisions

Importance Level	Frequency	Percentage (%)	Key Insights
Very Important	37	37.00%	Brand reputation is a key factor for a significant portion of buyers.
Important	43	43.00%	A majority of buyers consider brand reputation important.
Neutral	18	18.00%	Some buyers are less influenced by brand reputation.
Not Important	2	2.00%	Only a small percentage of buyers disregard brand reputation.

Table 8: Analysis on Preferred Marketing Channels for Real Estate Buyers

Marketing Channel	Frequency	Percentage (%)	Key Insights
Websites (99acres, Magic Bricks)	42	42.00%	Online property websites are the most preferred channel.
Social Media	14	14.00%	Social media is the second most popular channel for property inquiries.
Outdoor Hoardings	15	15.00%	Traditional outdoor advertising still holds value.
Events/Expos	12	12.00%	In-person events and expos are effective for engaging buyers.
Newspaper/Magazines	7	7.00%	Print media has a niche audience.
Company Portal	10	10.00%	Official company websites are used by a small percentage of buyers.
Television	4	4.00%	Television ads are less effective for real estate marketing.
Pamphlets	2	2.00%	Pamphlets have the least impact on buyer decisions.

5.0 Summary of Key Findings

- *Challenges for developers:* Land acquisition and securing funding are the most significant challenges. Legal and regulatory hurdles also pose substantial difficulties.
- *Factors influencing demand:* Land price and future growth potential are the most influential factors in real estate demand.
- *Buyer preferences:* Location, price, and ROI are the most critical factors influencing purchase decisions. Ready-to-move-in properties are preferred over under-construction ones. RTMI properties are mostly preferred by the buyers as it involves lower risk.
- *Marketing strategies:* On-time delivery and strong branding are the most effective strategies for building trust. Digital marketing and social media are increasingly important.
- Residential properties are preferred by most of the buyers, while mix-use properties are gaining popularity due to convenience of use.
- *Brand reputation:* Over 80% of buyers consider brand reputation important or very important in their purchase decisions.
- *Marketing channels:* Online property websites and social media are the most preferred channels for buyers.

6.0 Conclusion

The study points out that with the right mix of demographic targeting, digital marketing, and financial planning, a real estate project in Maharashtra could be a success. 79

Developers who tap the evolving preferences of buyers in terms of location, affordable prices, and brand credibility find themselves far ahead of the rest in this competitive marketplace. As technology transforms the real estate field, these marketing strategies must flip to data-driven digital ones that are able to create effective engagement, valuable customer insights, and many options aired around cost.

Developers need to be flexible to changes in the market, interest rates, and changing government policies. the integration of the smart city infrastructure, blockchain-based property transactions, and AI-enabled property management systems shall drive the next level of growth in the real estate sector of Maharashtra. With urbanization increasing, and an increasing requirement for modern housing solutions, companies involved in construction that persist with sustainability, digital marketing, and flexible financing will naturally flower in this evolutionary stage. Maharashtra remains the most fertile ground for the growth in real estate as a whole in India despite the challenges of high land acquisition prices, regulatory delays, and volatility in the market. Strategic investments into emerging cities, green infrastructure, and technology-showered developments will take the sector toward its sustainable growth phase. The results of this study lay out a clear roadmap for the developers and investors to steer Maharashtra towards the future of real estate. To create long-term value and shape the urban fabric in Maharashtra, real estate players need to adopt customer-centric business models along with smart technologies, while also ensuring compliance with evolving policy regulations.

7.0 Limitations of the Study

The Research involves data from some of the main cities like Mumbai, Pune & others which are real estate hotbeds. The findings may not be suitable for smaller cities. The responses might not represent all the stakeholders from the real estate industry. The data gathered for this research is based on surveys and responses from industry professionals and prospective customers. Since these were based on self-reported data, the reliability of their findings could be affected by individual bias, expectation, or intent. Likewise, social desirability may have affected the response of their respective respondents-other-than just what was market behaviour. Notwithstanding these difficulties, this study provides the essential research for some key factors affecting real estate development in Maharashtra. However, these constraints give a great opportunity for future studies to elaborate and build upon these findings for a more comprehensive understanding of the reality sector.

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