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Review IJRRPD

Growth of Individual House Builders (IHB) in Raigad Districts

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Abstract

The study delves into the dynamic landscape of individual house builders (IHBs) in Raigad district, exploring the substantial growth within the real estate industry and its related sectors. The emphasis is on residential structures, ranging from bungalows to row houses and small individual buildings, designed to accommodate diverse family structures. This surge in construction activities is attributed to factors such as the abundant availability of land, improved connectivity, burgeoning employment opportunities, urbanization trends, and the expanding middle class. The construction of these dwellings is executed through various approaches, involving professional builders, contractors, self-development, or outsourcing. Raigad district, in particular, has witnessed exceptional progress in this domain, establishing itself as a fertile ground for individual house builders. The interplay of favorable circumstances, including land accessibility and increased connectivity, has spurred a remarkable increase in residential construction. The study adopts a descriptive analysis methodology to achieve its objectives. By scrutinizing the challenges encountered by individual home builders (IHBs) in Raigad district, the research aims to provide a comprehensive understanding of the obstacles that may hinder the growth of this sector. Simultaneously, it explores the growth trajectory of IHBs in the region, shedding light on the factors contributing to their success. The significance of this study extends beyond the immediate context, offering valuable insights into the potential of the real estate industry in Raigad district. The focus on a niche market allows for a nuanced exploration of the intricacies involved, providing stakeholders, policymakers, and industry players with a robust foundation for informed decision-making. As urbanization and economic development continue to shape Raigad district, this study stands as a timely and relevant exploration of the evolving dynamics within the local real estate landscape.

Keywords: Individual House Builders (IHB's), Real Estate, Construction

INTRODUCTION

The ascent of Individual House Builders (IHBs) stands as a transformative force within the real estate sector, profoundly influencing the landscape of independent residential properties, including Bungalows, Row Houses, and compact individual dwellings designed with meticulous attention to meeting the unique needs of families. This burgeoning trend not only shapes the real estate arena but also radiates its influence across various interconnected industries. IHBs encompass a diverse array of residential projects, all sharing the common goal of adapting to the ever-evolving and diverse requirements of homeowners. These projects can be executed by seasoned professionals, contracted construction firms, initiated as self-development ventures, or entrusted to external entities, underscoring the versatility of IHBs in addressing the dynamic housing needs of the populace.

One particular region that has experienced an exceptional upsurge in the realm of Individual House Builders is the Raigad district, situated

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within the Indian state of Maharashtra. The extraordinary growth in this district can be attributed to a constellation of influential factors, including the abundant availability of land, enhanced connectivity, burgeoning employment opportunities, the on-going process of urbanization, and the burgeoning middle-class demographic. The convergence of these dynamic forces, in conjunction with various socio-economic elements, has collectively positioned the Raigad district as a prominent hub for IHB projects, reshaping the local real estate landscape.

This comprehensive study has a dual focus: firstly, to unravel the factors driving the preference for individual residential structures; and secondly, to scrutinize the remarkable expansion of IHBs within the bounds of the Raigad district. Employing descriptive analysis, this research seeks to accomplish these objectives and, in doing so, to shed light on the potential and opportunities within the real estate sector specific to the unique niche market of Raigad. Through meticulous exploration of the underlying drivers fueling the ascendancy of IHBs and dissecting the market dynamics at play, this study aims to provide valuable insights for a diverse array of stakeholders within the real estate domain, including policymakers and investors. Furthermore, this research endeavour serves as a critical reference point for future investigations and inquiries.

The forthcoming sections of this paper will undertake a comprehensive examination of the key determinants steering the preference for individual residential structures in Raigad, the catalysts propelling the astounding growth of IHBs, and a thorough evaluation of the potential inherent in the real estate industry within the niche market of the Raigad district. These findings are anticipated to offer a holistic understanding of the unique dynamics at play in this region, providing a valuable foundation for the formulation of sustainable development strategies and sound investment decisions within the real estate sector.

LITERATURE REVIEW

Ana Maria Machado Toaldo (2015) [1], the debate between revisionists and conservationists in marketing theory is explored, particularly in the context of the adaptability and customer orientation of the traditional 4Ps (Product, Price, Place, and Promotion) in the marketing mix. It highlights Borden's initial flexible approach to the marketing mix concept and underscores the enduring significance of these concepts in contemporary marketing. The review emphasizes the critical role of security in e-commerce and digital marketing, revealing how security concerns are intertwined with each of the 4Ps and can either facilitate or hinder successful online retailing. Furthermore, it proposes the inclusion of a fifth "S" dimension for Security in the marketing mix, acknowledging its central importance in the digital environment. The review also introduces an equation for calculating perceived value in digital marketing, incorporating the influence of security on consumer perception and recognizing the evolving nature of security concerns and their impact on online consumer behaviour. (Toaldo, 2015) [1].

Mushaer Ahmed's (2021) [2], the focus is on assessing the environmental impact of cement manufacturing in Asia and proposing methods to enhance its environmental performance. The study accomplishes this through (i) describing the environmental consequences, (ii) clarifying the methodological approaches, and (iii) suggesting mitigation measures for sustainable cement production in the region. Notable contributors to environmental impact include overreliance on coal and limestone, outdated shaft kilns, and direct calcination methods.

To address these concerns, the literature suggests several mitigation measures, such as improving energy efficiency, utilizing alternative fuels, reducing the clinker-to-cement ratio, and embracing innovative technologies. While mature technologies are cost-effective and readily applicable, innovative solutions like waste heat recovery (WHR) and renewable energy generation require government support and research efforts. Carbon capture and storage (CCS) technology, although promising for emissions reduction, faces technological and economic challenges in becoming a commercial practice in the Asian cement industry. The review also emphasizes the influence of local

factors on mitigation strategies and identifies gaps in the literature that warrant further scientific exploration. (Ahemad, 2021) [2].

F. A. Rodrigues' (2010)', the substantial use of cement-based materials like concrete and mortars is highlighted, particularly their vital role in infrastructure development. However, it is acknowledged that the cement industry is a significant contributor to environmental issues, releasing 5–6% of global carbon dioxide emissions and various pollutants. (Rodrigues, 2010) [3].

The review emphasizes the potential for the chemistry of cement production to address these environmental challenges, citing alternative materials like calcium sulfoaluminates and β-Ca_2SiO_4-rich cements to reduce carbon dioxide production and energy consumption. It also explores the use of industrial residues such as tires, oils, and municipal waste as supplementary fuel in cement plants, as well as concrete for waste encapsulation. (al., 2015) [4].

Moreover, the paper discusses the economic and properties-related aspects of cement, with a special focus on sustainability and the role of research and development in enhancing the industry's environmental performance. The review underlines the importance of exploring alternative materials, innovative possibilities, and recycling practices for a more sustainable future in cement production. (al, 2022) [5].

Objectives

- To analyse the growth trends of IHB's in Khalapur Taluka of Raigad District.
- To identify the problems encountered by IHB's & suggest the remedies
- To understand the ecosystem for working of IHB's

RESEARCH METHODOLOGY

The study is exploratory in nature as it is unique as the literature review carried out shows the different dimensions viz. environmental issues, marketing etc. The data is collected through both the primary and secondary sources. M. Arun et al. (2021) [6]. The primary data collected is qualitative in nature as interviews of individual home builders, contractors, and other entities involved in the entire ecosystem of IHB's. The data is also collected from the Khopoli NagarPalika as a sample of the Raigad District in Khalapur Taluka.

As research is exploratory in nature there is very little research identified. The data both qualitative (collected through primary source) K. Naveen Kumar et al. (2014) [7] and quantitative (collected from Khopoli NagarPalika) have been analysed using descriptive analysis.

The limitation of study is due to time factor and also in terms of data collected only from one area of Raigad district.

However, there is enough scope for further research as can be extended to several other areas where the potential of individual home builders is identified.

Analysis

Khopoli IHB's data from 2012 to 2023 (khopoli munciple council, n.d.) [8] (Table 1)

Forecasting Analysis (2024-2028)

Forecasting Methodology

- The forecasting is done using a method that provides a point estimate as well as a range (confidence interval) for each forecast (Figure 1).
- The Lower Confidence Bound and Upper Confidence Bound indicate the range within which the actual values are likely to fall

Table 1. Number of Permissions of IHB's of Khopoli from 2011 to 2021

Year	Units
2011-12	113
2012-13	148
2013-14	169
2014-15	149
2015-16	149
2016-17	100
2017-18	92
2018-19	16
2019-20	73
2020-21	110

Source: *NagarPalika Khopoli*

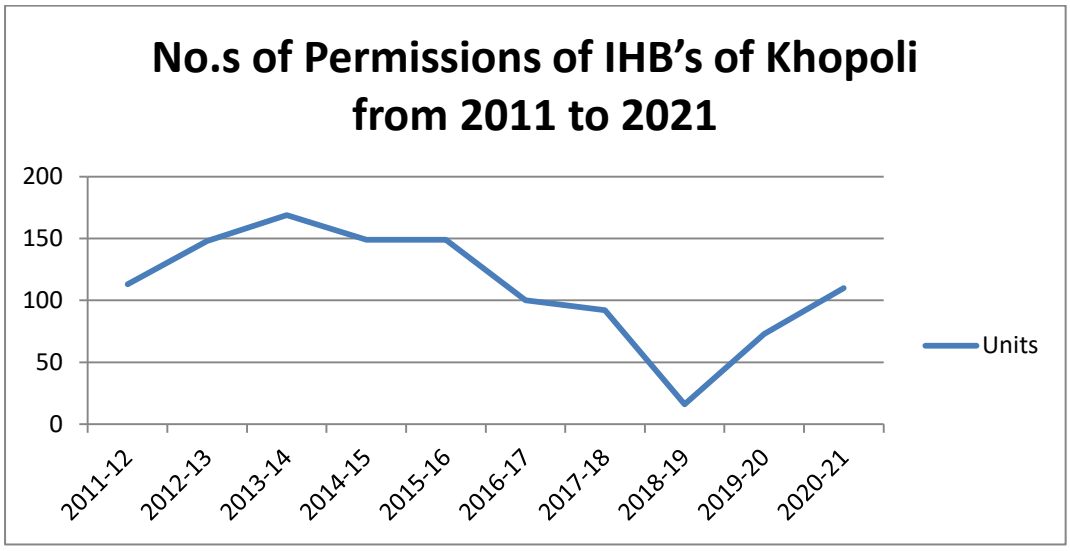

Figure 1. Forecasting – 2024 to 2028.

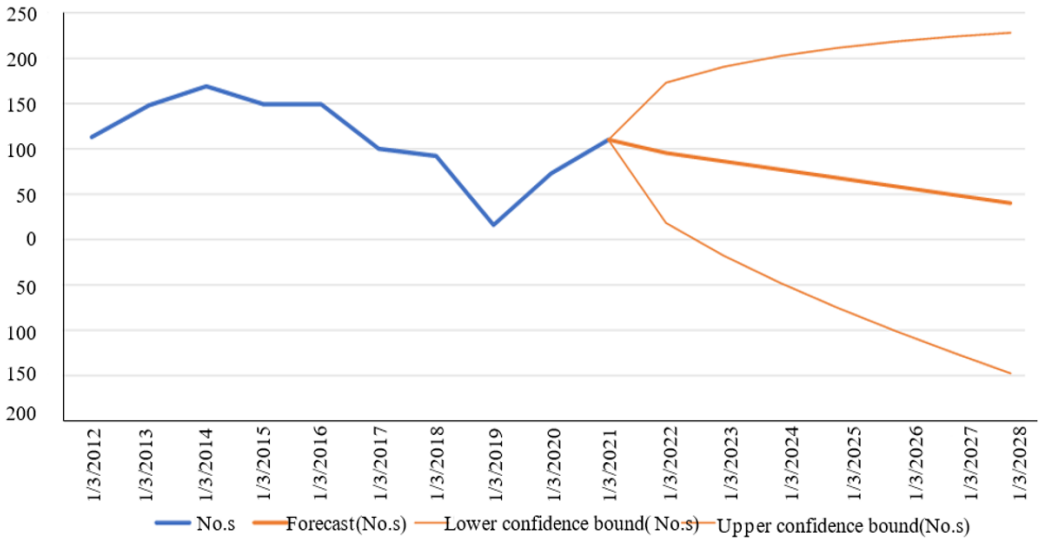

Figure 2. Break down the analysis into several parts.

Historical Data Analysis (2012-2023)

Trend Analysis

- There is an overall increasing trend in the number of units from 2012-2015.
- A significant drop is observed from 2015-2018.
- The lowest point is in 2018-19 with only 16 units.
- A slight recovery is seen in 2019-20 and 2020-21. (Figure 2)

Key Observations

- The data appears to be somewhat volatile, with fluctuations in the number of units.
- There might be external factors influencing these fluctuations, such as market conditions or changes in demand or Pandemic.

Point Estimates

- The forecasted values for 2024-2028 show a general decreasing trend.
- The forecasted values are: 77.08 (2024), 67.85 (2025), 58.62 (2026), 49.39 (2027), and 40.15 (2028) (Table 2).

Table 2. Forecasting of IHB's of Khopoli from 2024 to 2028 with Lower & Upper Confidence Bound

Year	No.s	Forecast(No.s)	Lower Confidence Bound(No.s)	Upper Confidence Bound(No.s)
1/3/2012	113			
1/3/2013	148			
1/3/2014	169			
1/3/2015	149			
1/3/2016	149			
1/3/2017	100			
1/3/2018	92			
1/3/2019	16			
1/3/2020	73			
1/3/2021	110	110	110.00	110.00
1/3/2022		NA	NA	NA
1/3/2023		NA	NA	NA
1/3/2024		77.08056169	-48.31	202.47
1/3/2025		67.84902475	-75.70	211.40
1/3/2026		58.61748782	-101.07	218.30
1/3/2027		49.38595088	-124.98	223.75
1/3/2028		40.15441395	-147.78	228.09

Source: *Forecasting projection with Excel*

Confidence Intervals

- The wide range in confidence intervals suggests a high level of uncertainty in the forecasts.
- For instance, the Upper Confidence Bound for 2028 is 228.09, indicating a large range of potential outcomes.

Decision-Making Considerations

- Stakeholders should consider the high uncertainty in the forecasts when making decisions based on these projections.
- Factors affecting this uncertainty could include market dynamics, economic conditions, or changes in consumer behavior.

Table 3. Problems & remedies.

Problems	Remedies
Financial Constraints	
Limited budget can restrict choices and quality.	Create a detailed budget with a contingency fund. Prioritize needs, explore cost-effective materials, and consider phased construction.
Land Acquisition and Zoning Issues	
Difficulty in finding suitable and affordable land; zoning regulations.	Research available land thoroughly. Consult local authorities, adhere to zoning regulations, and seek professional assistance if needed.
Design and Planning Challenges	
Developing a practical and aesthetically pleasing design.	Engage an experienced architect. Clearly define needs, prioritize functionality, and ensure compliance with local regulations.
Contracting and Construction Issues	
Finding reliable contractors; delays and quality control.	Vet contractors carefully. Have a detailed contract, inspect regularly, and maintain open communication. Address issues promptly.
Permitting and Approval Processes	
Navigating through bureaucratic processes.	Start early, work closely with local authorities, and hire professionals familiar with local regulations.
Environmental and Sustainability Considerations	
Balancing cost with environmental sustainability.	Research sustainable practices, consider long-term benefits, and explore grants or incentives for green building.
Technology and Innovation	
Keeping up with construction technologies.	Stay informed, attend workshops, and hire professionals with expertise in integrating smart home technologies.
Project Management	
Coordinating various aspects of the project.	Develop a comprehensive project plan, use project management tools, communicate regularly, and address issues promptly.
Resale Value and Market Trends	
Anticipating future market trends.	Stay informed about local real estate trends, design a home that balances personal preferences with broad market appeal, and consult with real estate professionals.
Legal Issues	
Dealing with legal matters.	Consult with legal professionals early, define terms clearly in contracts, and address legal issues promptly.

By addressing these issues with the suggested remedies, (Table 3) individual house builders can enhance the likelihood of a successful and satisfying home-building experience. Ilvitskaya S.V., Lobkov V.A., Lobkova T.V.2019 [9] Each remedy emphasizes proactive planning, effective communication, and leveraging professional expertise.

Ecosystem working for IHB'S

The ecosystem for individual house builders (IHBs) can vary based on the specific approach taken in the home-building process. Here's an overview of common scenarios: IHBs working through developers and IHBs engaging in redevelopment with architects and contractors, etc:

IHBs Working Through Developers

Homeowner (IHB)

Initiates the project, defines requirements, and collaborates with a developer.

Developer

- Acquires land or property for development.
- Collaborates with architects and designers to plan and design the project.
- Manages the construction process, including hiring contractors and overseeing the project.
- May offer pre-designed housing units or customizable options for individual homeowners.

Architects and Designers

Collaborate with the developer to design housing units that meet the needs of individual homeowners.

Contractors and Builders

Engaged by the developer to execute the construction based on the design and plans.

Real Estate Professionals

May be involved in marketing and selling the developed properties to individual homeowners.

IHBs in Redevelopment with Architects and Contractors

Homeowner (IHB)

Initiates the project, often involving the redevelopment of an existing property.

Architects and Designers

- Engaged by the homeowner to assess the existing property and design the redevelopment.
- Work with the homeowner to create a customized design that meets their preferences and needs. Pavan N. Ghumare, K.A. Chauhan, S. M. Yadav (2019) [10].

Contractors and Builders

- Hired by the homeowner to execute the construction based on the architect's design.
- Manage the construction process, including coordinating with subcontractors and ensuring quality.

Legal Professionals

Assist with legal matters related to property redevelopment, zoning, and contracts.

Financial Institutions

May provide financing options for the redevelopment project.

IHBs Working on Own:

Homeowner (IHB)

Initiates and manages the entire home-building process independently.

Architects and Designers (Optional)

Engaged by the homeowner if professional design services are desired.

Contractors and Builders (Optional)

Hired directly by the homeowner if professional construction services are needed.

Financial Institutions (Optional)

Homeowner may seek financing independently if necessary.

Legal Professionals (Optional)

Engaged by the homeowner for legal advice or assistance with contracts.

Common Elements Across Scenarios

Permitting and Approvals

All scenarios involve navigating through regulatory processes to obtain necessary permits and approvals from local authorities.

Environmental Considerations

There is an increasing emphasis on sustainable and eco-friendly construction practices in all scenarios.

Market Trends and Resale Value

Consideration of market trends and potential resale value of the property is relevant in all scenarios.

Technological Advancements

Incorporation of technological advancements in construction and smart home solutions is relevant across all scenarios.

CONCLUSION

In summary, This study illuminates the significant impact of Individual House Builders (IHBs) on the real estate sector in Raigad, Maharashtra. The growth of IHBs, driven by factors such as land availability, connectivity, employment opportunities, and urbanization, has reshaped the local real estate landscape. The research addresses the preference for individual structures and analyses the exceptional growth of IHBs in Raigad through descriptive analysis, offering valuable insights for the niche market.

Identified challenges faced by IHBs, including financial constraints and legal issues, are met with proactive remedies emphasizing planning and professional expertise. The analysis of IHB data from Khopoli reveals growth trends, and forecasting indicates potential challenges and opportunities in the coming years. The study introduces the IHB ecosystem, recognizing varied approaches such as working through developers or engaging in independent home-building.

While the study acknowledges limitations, like its focus on one area and time constraints, it proposes opportunities for further research in other Raigad districts. Overall, This research provides crucial insights for real estate stakeholders, guiding policymakers, investors, and individuals in the IHB ecosystem toward sustainable development and informed investment decisions in Raigad's evolving real estate sector.

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