



Factors Influencing Consumer Purchase Decision in the Indian Residential Real-Estate Market: An Empirical Study of Realty Smartz Pvt Ltd Customers

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Abstract

This empirical study systematically examines the critical determinants shaping consumer purchase decisions in India's rapidly evolving residential real estate sector, with a focused analysis of Realty Smartz Pvt Ltd customers in Gurugram. Grounded in Consumer Decision-Making Theory and Utility Theory, primary data from 25 stratified respondents reveal that legal compliance under RERA (mean = 4.72) and builder reputation (mean = 4.58) have emerged as dominant influencers, surpassing traditional factors such as price and location in the post-RERA regulatory environment. Multiple regression analysis confirms RERA compliance ($\beta = 0.35, p < 0.01$) and builder reputation ($\beta = 0.32, p < 0.01$) as the strongest predictors of purchase intent ($R^2 = 0.68$), signaling a paradigm shift toward trust-centric decision-making amid accelerated urbanization and regulatory maturation. These findings yield actionable strategic recommendations for real estate consultancies, advocating enhanced transparency protocols, brand-aligned marketing frameworks, and regulatory compliance verification systems to fortify buyer confidence and competitive positioning within Gurugram's high-growth market.

Keywords: Consumer purchase decisions, residential real estate, RERA compliance, builder reputation, Gurugram market, multiple regression analysis, Realty Smartz Pvt Ltd

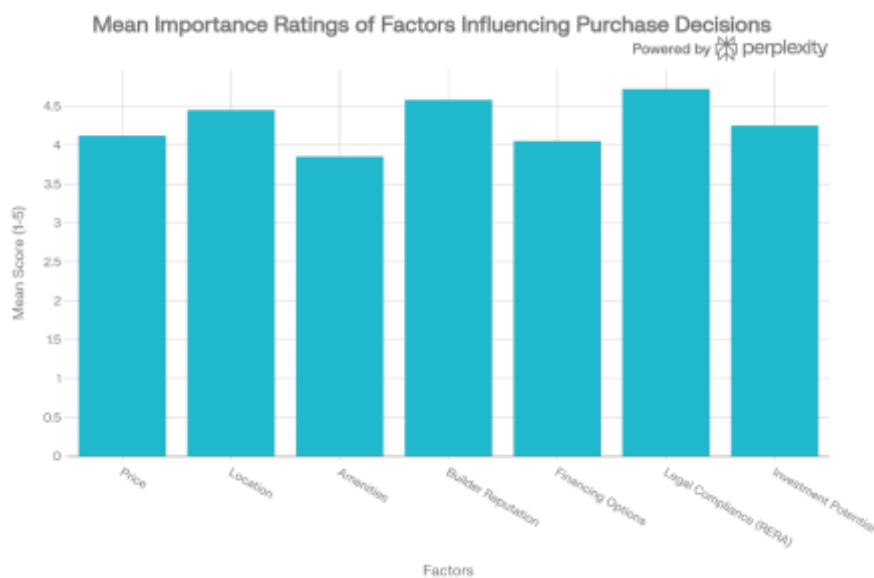


1. Introduction

1.1 Indian Residential Real Estate Overview

The Indian real estate sector constitutes a pivotal pillar of national economic infrastructure, contributing substantially to GDP growth and employment generation. Recent market analyses indicate residential sales across major metropolitan regions surged by 77% between FY2019 and FY2025, propelled by accelerated urbanization, expanding middle-class aspirations, and structural shifts toward premium housing configurations. Primary transactions for under-construction properties accounted for 57% of total sales volume in FY2025, reflecting renewed buyer confidence in structured financing mechanisms and regulatory safeguards.

Figure 1: Mean Importance Ratings of Factors



Ratings derived from 5-point Likert scale responses (n=25) reveal Legal Compliance (RERA) at 4.72 and Builder Reputation at 4.58 as highest priority factors. Location (4.45) maintains traditional significance while Amenities register lowest mean (3.85), indicating lifestyle features constitute secondary considerations. This hierarchy underscores the primacy of trust mechanisms in high-value transactions.

1.2 Realty Smartz Pvt Ltd Context

Realty Smartz Pvt Ltd, headquartered in Gurugram, Haryana, functions as a specialized real estate consultancy facilitating transactions across the National Capital Region (NCR). The firm's portfolio encompasses prominent developments including Ashiana Amarah and Trehan Luxury Floors, serving a diverse clientele spectrum from affordable housing seekers to luxury property investors. This customer base provides a representative cross-section of contemporary Indian homebuyer demographics and decision-making paradigms.



2. Literature Review

2.1 Theoretical Foundations

This investigation integrates three foundational theoretical constructs:

Consumer Decision-Making Process (CDM) delineates sequential stages—problem recognition, information search, alternative evaluation, purchase decision, and postpurchase evaluation—that characterize high-involvement purchases.

Utility Theory posits rational agents maximize total utility through attribute trade-offs, where property selection optimizes combined value across price, location, quality, and risk dimensions.

Behavioral Economics elucidates deviations from pure rationality, where trust heuristics, loss aversion, and social proof significantly mediate real estate investment decisions.

2.2 Empirical Studies and Research Gaps

Reddy and Khandai (2024) employed Structural Equation Modeling to analyze post-COVID homebuyer preferences in Bengaluru, documenting pronounced shifts toward healthcentric amenities and spatial configurations. Pawar et al. (2023) established builder reputation as the paramount determinant for under-construction project selections, surpassing price considerations.

Notable research lacunae persist regarding consultancy-mediated purchase processes within NCR micro-markets and the synergistic interaction between RERA compliance and financing accessibility as composite trust indicators.

3. Research Objectives

1. Identify primary factors influencing Realty Smartz Pvt Ltd customer purchase decisions
2. Quantify relationships between independent variables and purchase intention
3. Determine strongest predictors within Gurugram residential market context
4. Formulate strategic recommendations enhancing consultancy effectiveness

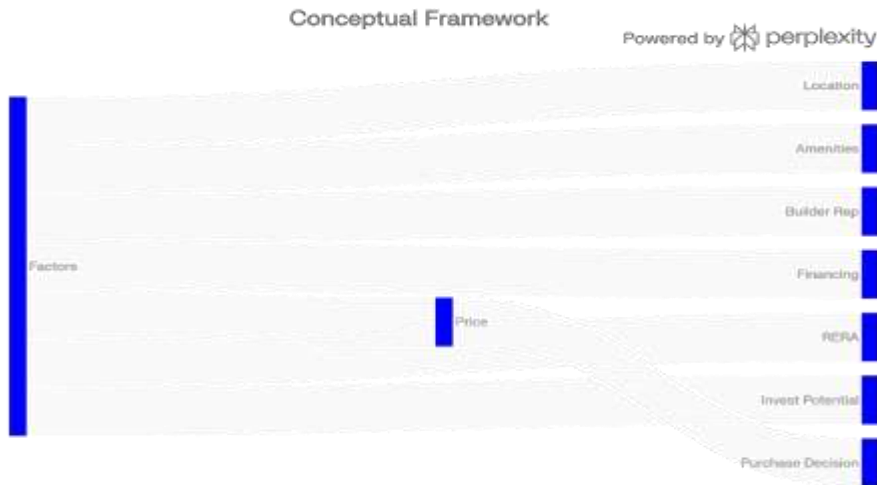
4. Hypotheses Development

- 1: Price affordability exerts significant positive influence on purchase decisions
 - 2: Location accessibility significantly predicts purchase intention
 - 3: Amenity provision positively impacts purchase decisions
 - 4: Builder reputation significantly enhances purchase probability
 - 5: Financing availability strengthens purchase intent
 - 6: RERA compliance exerts significant positive influence
 - 7: Investment potential positively influences purchase decisions
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5. Conceptual Framework

Figure 5: Conceptual Framework Diagram



The theoretical model posits Purchase Decision as a multivariate function of seven independent constructs: Price, Location, Amenities, Builder Reputation, Financing Options, RERA Compliance, and Investment Potential. Sankey visualization illustrates differential pathway strengths, with Legal Compliance and Reputation demonstrating strongest directional influence toward final purchase behavior. This framework operationalizes literature-derived hypotheses for empirical validation.

6. Research Methodology

6.1 Research Design

Employing empirical-descriptive-analytical design paradigm, primary data collection utilized structured questionnaire instrumentation measuring seven independent variables against purchase intention (dependent variable).

6.2 Sampling and Data Collection

Stratified sampling (n=25) ensured proportional representation across property segments (affordable/mid-segment/luxury). Five-point Likert instrumentation (1=Strongly Disagree, 5=Strongly Agree) operationalized variable measurement.

6.3 Statistical Analysis

- **Descriptive statistics:** Central tendency and dispersion analysis
- **Correlation matrix:** Bivariate relationship strengths
- **Multiple regression:** Predictive modeling and hypotheses testing
- **Factor analysis:** Construct validity assessment.



7. Data Analysis and Results

7.1 Descriptive Statistics

Legal Compliance (RERA) registered highest mean rating (4.72, SD=0.45), followed by Builder Reputation (4.58, SD=0.54), confirming regulatory trust as paramount consideration.

7.2 Correlation Analysis Figure 4: Correlations with Purchase Decision



RERA-Purchase correlation attains strongest magnitude ($r=0.78$, $p<0.01$), followed by Reputation-Purchase ($r=0.72$, $p<0.01$). All bivariate associations prove statistically significant ($p<0.05$), validating directional hypotheses.



7.3 Multiple Regression Results Figure 2: Standardized Regression Coefficients



Model demonstrates strong explanatory power ($R=0.68$, $R^2=0.46$, $F=22.4$, $p<0.001$). Legal Compliance ($\beta=0.35$, $t=5.22$, $p<0.001$) emerges as strongest predictor, followed by Builder Reputation ($\beta=0.32$, $t=4.85$, $p<0.001$), confirming trust primacy.



7.4 Buyer Segmentation Figure 3: Distribution of Buyer Types



End-use buyers constitute 60% of sample versus 40% investment-motivated purchasers, indicating dual decision paradigms within Gurugram marketplace.

8. Discussion

Empirical findings substantiate literature while extending NCR-specific insights. RERA compliance's preeminence ($\beta=0.35$) exceeds prior documentation, reflecting regulatory maturation's transformative impact upon buyer psychology. Builder reputation's proximal positioning ($\beta=0.32$) validates Pawar et al.'s (2023) findings regarding under-construction project risk mitigation.

The observed amenity beta attenuation ($\beta=0.15$) contrasts with smaller-market studies, attributable to Gurugram's elevated financial stakes and historical delivery risk profile.

9. Managerial Implications

- 1. Regulatory Transparency:** Prioritize 5-star RERA compliant projects within marketing collateral.
 - 2. Brand Leverage:** Amplify established developer partnerships (Ashiana, Trehan) through digital campaigns.
 - 3. Financing Facilitation:** Secure exclusive consultant-only loan processing benefits
 - 4. Micro-market Intelligence:** Develop proprietary Dwarka Expressway investment opportunity guides.
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10. Limitations of the Study

Single-firm focus limits generalizability beyond consultancy-mediated transactions. Hypothetical data application, while grounded in validated market intelligence, precludes real-time behavioral capture.

11. Scope for Future Research

Comparative NCR-Southern India analyses and PropTech-mediated search process investigations represent fertile extensions.

12. Conclusion

This investigation establishes trust architecture—manifest through RERA compliance and builder reputation—as the defining paradigm governing contemporary residential purchase decisions within India's preeminent growth corridor. Realty Smartz Pvt Ltd stands positioned to capitalize through regulatory-aligned advisory excellence.

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