



**TENANCY: A NEW ERA OF HOUSING AMONG MILLENNIALS**

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**Abstract:**

*For individuals born between the 1950s and the mid-1980s, owning a house was viewed as a status symbol, financial security, basic need, and also as an asset. On the contrary today's modern working class considers renting a profitable option, the Indian real estate sector has witnessed a paradigm shift as a consequence of this thinking. This research provides a critical comparative analysis of consumer behaviour of Millennials towards buying a property with the help of facts and data from real estate market of India. We have used non probability convenient sampling method for assemblage of data and also circulated Google forms, through which we attempted to understand various aspects of the working class's thought process, which was circulated over a sizeable population. We conclude that on account of ongoing and foreseeable inflation trends and other economic and social factors, renting is more equitable for the working class to the point that they attain financial stability and are ready to bear the inflationary household and other expenses and interest rates of home loans at the same time.*

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**Introduction:**

Owning a house is still considered to be the most prime achievement in one's life. But, through this study we are trying to bring forward the new age solution which is mostly frowned upon by the general public but whilst they think so, there is a group of society that considers renting to have an edge over buying a house if they don't have their own or parents' house and are still trying to attain financial stability. Renting a house property could be more realistic and deliberate choice for some household. Factors which instigate this deliberate choice may be mobility, migration and flexibility. Through this research paper focuses on analysing the residential tenancy as a deliberate choice especially amongst the younger millennial generation.

According to the 2011 Census, 11.09 million houses in urban areas were lying vacant. Despite the lack of a strong policy framework and the regressive rent laws, the Indian housing market has responded to the demand for cost-effective rental housing, especially for the young, middle-class working population, giving rise to co-living spaces (Jha, DEC 08 2020)

**Gap Analysis:**

A substantial amount of research is done on development, demand anticipation, impact of covid-19 investment prospects, and on future aspects of the real estate market of India. India being a developing Nation is growing at the fastest pace and so as the population. The house which was earlier considered as an asset or security started to lose its importance the mindset of working millennials nowadays has shifted from an old perspective towards

real estate to a financially planned decision. Our research studies dynamic nature of real estate with respect to the buying behaviour of working millennials many reasons such as inflation, high prices of real estate, changing work culture, etc lead to growth in rental property a study on increasing shift towards renting is important as many flats remain unsold now a days which led to a substantial crisis for new real estate developers. This research's base study is to study changes in the real estate sector and behaviour patterns in the decision of working Millennials keen towards renting. Research on the evolution, forecasting of demand, influence of COVID-19 investment potential, and future facets of the Indian real estate market is extensive. India's population is expanding at the quickest rate among developing nations. The property, which was once thought of as a security or asset, began to lose its significance as working millennials' attitudes toward real estate changed from an antiquated perspective to one that prioritises financial planning. Many factors, including inflation, high real estate costs, shifting work cultures, etc., Our research examines the dynamic nature of real estate in relation to the purchasing patterns of working millennials for a variety of reasons, including inflation, high real estate prices, shifting work cultures, etc. A study on the rising trend towards renting is crucial because many apartments are currently unsold, creating a significant crisis for new real estate developers. The primary goal of this study is to understand how the real estate industry has changed, as well as how working Millennials have changed their attitudes regarding renting.

#### **Objectives:**

- To study the financial aspects/conditions that are required to plan before renting or buying a house.
- To find out the reasons of changing perspective of working millennials towards real estate.
- To Magnify the benefits of renting a house

#### **Significance:**

Our research conducts a critical analysis on working millennials' behaviour patterns regarding the choice between purchasing a home and renting one. In this study, we will record all the benefits and drawbacks of each option, as well as human behaviour patterns and preferences.

#### **Research Methodology:**

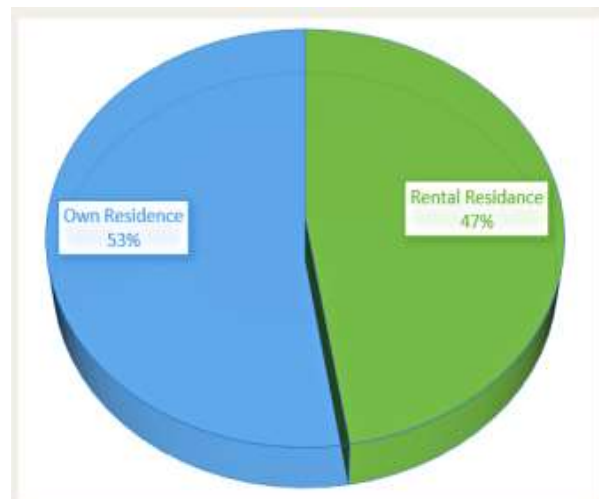
This research proposal is based on sample primary data collected through structured questionnaire and survey, and on secondary data from new articles and publications. We have used the non-probability sampling method in this study. The sample size was of 150 working people and 10 housing societies. The survey consisted of 8 multiple-choice questions. The goal was to collect survey responses from 150 salaried people living in a rental residence. Here, salaried person is defined as a person who receives a fixed amount of payment each month. Participants were sent e-forms to fill anonymously. In total, 80 participants responded, but not all surveys were fully completed. Due to this, 74 survey results were included in the analysis. We have conducted a thematic analysis on the responses.

Data analysis was done through descriptive tools like Graphical presentation.

#### **Preliminary Work:**

Housing is an essential need of citizens. A large no. of people resides in India as tenants. This is more prominent in urban cities. As per the 2011 census, urban households on rent stood at over 21 million, which is around 20%

of the total number of houses in urban India. But according to NSSO's survey in 2018 the no of people living in rented residence has increased to 32 million. As of January 2022, almost 35 million people are living in a rented household. The reason for this sharp increase in demand for rental residence can be contributed factors viz. High interest rates on home loans, Economic slowdown, increase in migration etc. Most of the people living in a rental residence consisted of Low-income working people who needed the flexibility of moving city to city for job purposes. But as the interest rates on home loans keep increasing, the preferences of Indian working class have undergone a significant change. Rented household now accommodate people who may not want to make a long-term financial commitment as well as people who need to the flexibility for their work. Some households now consider renting as a pragmatic choice w.r.t their financial planning. In the Post Covid period the demand for rental housing has increased again as people who used to work from home are now returning to their workplaces.



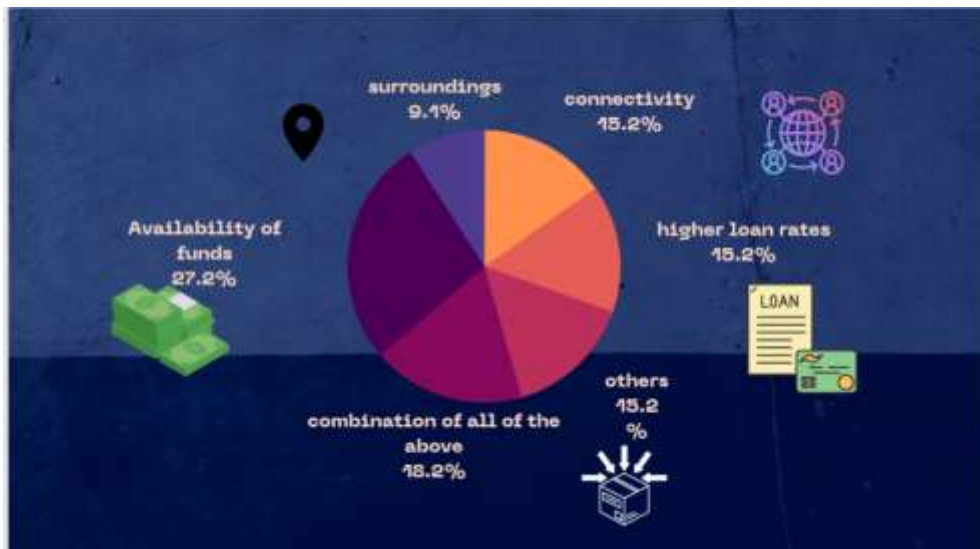
#### **Benefits to Society:**

Living in a Rental property is considered as stigma in Indian society but there are hidden benefits that are not known amongst people and in this research, we highlighted the benefits of it.

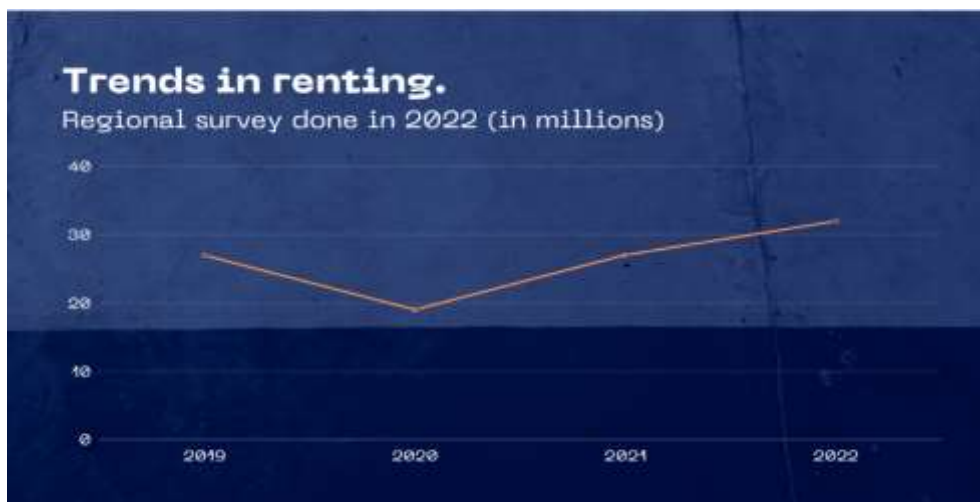
- This study is beneficial for people to manage their finances effectively.
- It will save their money as there is no recurring cost of maintenance of house property, tax paying, repairs and so on.
- It will create more disposable income for people to spend on as rent rates are affordable than higher EMI rates.

#### **Findings:**

- As per our survey, working millennials are generally not preferring to buy house until they attain financial stability.
- There are various factor affecting buying or renting of a house viz. Connectivity, Accumulation and Allocation of Funds, Neighbourhood, interest rates of loans etc.



- On account of ongoing and foreseeable inflation trends and other economic and social factor, renting is more equitable for the millennial working class.



### Limitations:

- The sample size could be improved.
- Geographical limitations- The research could be extended to other geographical areas as well
- Distinguishing native and migrating population needs more validation.

### Conclusion:

- People are preferring renting over buying before they attain their desired financial stability.
- Almost 40% working millennials are living on rental basis.
- There is a large scale of migrated population opting for leased properties to save their expenses.
- Working class prefers renting majorly for the flexibility that it offers.



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