

Demographical Impact On Growth Of Housing Finance In Pune And Aurangabad

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ABSTRACT

People first satisfy their need for food and clothing and then want to satisfy their need for shelter. Everybody desires to have a sweet home to rest and relax. In most of the cases, for the middle class people, their house is the most valuable asset owned by them in which their life-long savings are invested. Shelter or home gives a person protection against wind, sunshine and rain. It gives protection for his family and for his property. Ownership of home also provides everyone pride and psychological satisfaction. It brings family together and gives a rightful place in the world for him to take rest. In this paper presents the economic factors and demographic factors impacting the growth of housing finance in Pune and Aurangabad.

Keywords- housing finance, financial institution, banks

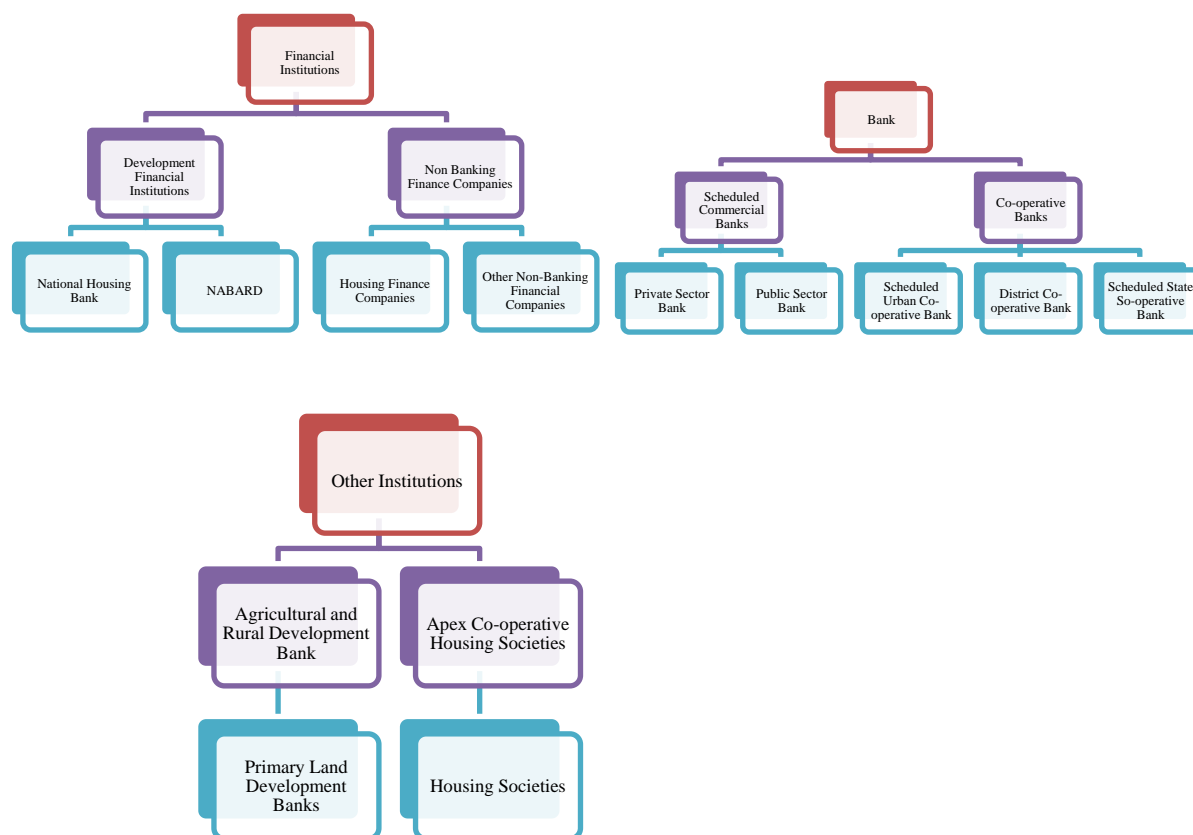
INTRODUCTION

Housing is very important engine of growth and development for any economy. A boost in housing generates boost in demand for steel, aluminum, sand, bricks, cement, timber, plywood, glass etc. as a backward linkage and it also generates boost in demand for furniture, kitchenware appliances, electrical and electronic appliances, scooters, motor cars, interior decoration etc. as a forward linkage. In terms of the multiplier effect on the economy, the housing sector ranks fourth. In terms of total linkage effect, it ranks third amongst 14 major industries.

There is an acute shortage of housing in India. The population of India is more than 138 crore (according to UN data 2020) and 34% of the population is urban. The housing shortage in urban areas is estimates at 10 million houses with revised estimation in 2017 as per the Housing and Urban Affairs Minister Mr. Hardeep Singh Suri. (The hindu 15 nov 2017) The government is determined to use its own surplus land and to use PPP (Public-Private Partnership) model to encourage housing through public-private partnership in order to address this housing shortage. Housing industry has backward and forward linkages to nearly 250 ancillary industries. India's mortgage loans / Gross Domestic Product ratio is just 10% which is more than 60% in case of many other countries. There is tremendous scope for penetration of housing loans in the Indian market. Growth of housing and housing finance in India holds the key to accelerate the growth of our economy. A study on growth of housing finance in Pune and Aurangabad is the need of the hour for the betterment of our society.

Housing Finance Institutions play a very important role in giving a boost to housing sector. Government of India is determined to provide every Indian a house by the year 2022 when India will complete 75 years of independence. Housing Finance Institutions in India which are engaged in housing finance can be grouped as follows

- Financial Institutions
- Banks
- Other Institutions



The present study attempts to find out causes of such low percentage of housing loans to gross domestic product. According to R.B.I., the overall growth rate of housing finance in India which was 45% in the year 2004-05 slowed down to only 18.7% in the year 2010-11 and 13.9% in the year 2011-12. The growth rate of housing finance over the last seven years results a CAGR of 18%. (www.vinod Kothari.com, India Housing Finance Report, 2017) In view of this, a study of housing finance in India in general and a study of housing finance in Pune and Aurangabad in particular with an objective to study the reasons for the slowdown in its growth, to find out ways and means for reviving its growth and to study challenges ahead become extremely important. The FICCI-Ernst & Young Report titled “Realty in Changing Times” released in 2012 reveals that Maharashtra has better urban areas in the country and thus occupies the top slot in the “Urban India State Ranking.” Maharashtra is followed by Tamil Nadu and Karnataka. The report shows that the district of Aurangabad, Thane and Pune are the most prominent centres having matured environment for development.

This study, therefore, concentrates on factors associated with growth of housing finance in Pune and Aurangabad. The review of literature finds following research gaps- there is very little study made on the topic with primary data from the respondents of Pune and Aurangabad, there is very less detailed study made on the topic to growth of housing finance, there is very limited study made to give suggestions to improve growth of housing finance and housing in Pune and Aurangabad.

REVIEW OF LITERATURE

Jasmindeep (2005), observed that HDFC comes at the top among all the institutions as far as loan sanctioned, disbursements and the loan outstanding are concerned, PNB has the last rank for both loans sanctioned and disbursed. However, the compound growth rate for the loan sanctioned, disbursement and outstanding has been highest in the case of LICHFL.

Phogat M. (2006), observed that precautions should be taken at bank level to avoid housing loan frauds in banks. KYC norms should be followed. Loan should be granted against houses built by

reputed builders only. Title deed should be scanned through ultra-violet ray machines before mortgage. An undertaking should be taken from the builder that the house is not sold to any other person. Main salary account, original title deed, property tax bills, electricity bills should be verified.

Luci Ellis (2006) observed that the mix of disinflation, deregulation and financial innovation provides considerable boost to the supply of housing loans, lowers the cost of funds, and thereby stimulates the demand for housing through increased competition among lenders.

Sreelaxmi P. (2007), observed that new class of young buyers have the affordability of spending more on EMI and owning a house than spending on rent and staying in a rented house. While housing finance is experiencing an exponential growth, the risk of bad loans and NPA is also increasing. Periodical review of borrower's financial position is must for ensuring prompt payment of loan installments.

Green R.K. and Wachter S. (2007) observed that the availability and cost of housing finance are the crucial determinants in the functioning of housing markets across countries. Fall in interest rates induces higher demand for housing finance and has an impact on house prices; more so if there is severe housing shortage. Decline in mortgage rates improved affordability while appreciation in house prices impaired it by necessitating larger housing loans.

Rajasekhar D. (2008) studied the growth and structure of LICHFL's housing loans in Chennai city. They observed that 54% of the respondents preferred tenure of loan for more than 10 years. 75% of the respondents reported that there was delay in the sanction and disbursement of loan amount. 93% of the respondents preferred flexible rates and only 7% of the sample respondents preferred fixed rate of interest. 34% of the respondents reported that LICHFL provides housing loan at a low rate of interest.

Chaubey M. (2009) studied customers' views on housing loans taken from HDFC Ltd. in Varanasi city. He observed that 92% of the respondents preferred flexible rate of interest and only 8% of the respondents preferred fixed rate of interest. 58% of the respondents preferred loan tenure of more than 15 years. 70% respondents reported that there was delay in the sanction and disbursement of loan amount. 42% of the respondents opted for loan due to low rate of interest. Only 42% of the respondents reported that the loan repayment period was adequate and only 40% of the respondents felt that the rate of interest was reasonable.

Ramesh Ramanathan (2010) observed that India is the second largest country in population and it requires affordable housing to satisfy the low income people. Around 85% percentage of Housing requirement is for the below middle class people in India. The people who are having greater than Rs.5000 and up to Rs. 20000 income highly need affordable housing. Hence, Indian government need to concentrate and develop the low income housing for the middle class people in India.

Dr. V. Chandrasekar and Katyayini Krishnamoorthy (2010) have used regression analysis for the study of housing demand function of the city of Hyderabad. They found significant negative impact of lending rates on housing demand. They have used the benchmark prime lending rate (BPLR) as a proxy for home loan interest rate and justified the same as they say that most banks offer rates that are tied to the benchmark prime lending rates. However they have not considered important determinants like household income and house prices.

Mishra A.K. (2011), observed that the Bharat Nirman Program has also recognized and accorded due priority to the need to end shelter. The Program has set a target to construct 60 lakh houses from 2005 to 2009. The housing component under the Program was being implemented in parallel with Indira Awas Yojana scheme.

Fulwari A. (2012), in her study stated that adopting a policy of moderate home loan interest rates would enable many more households to meet their housing demand. She has suggested that interest rate subsidies be linked to the income class of the 270 borrower. A systematic scheme of incentives needs to be put in place to encourage housing developers to build homes for all income classes.

Gandhi, Sahil (2012), observed that Aurangabad experiences a mismatch between household income and house prices. The researcher found that with present income distribution and institutional rates, only 5-6 percent of households can afford a house in Aurangabad. In big cities house developers cater to a small proportion of the population which is rich and elite by focusing on construction of luxury housing. In most of the Indian cities there is a problem of infrastructure, slum proliferation and inefficient urban land management.

Singh Charan (2013), observed that in most banks, whenever there is a review of PLR and/or risk weights, floating rate on housing loans is also reviewed. In general, the rate of interest is decided on the basis of cost of funds, operating expenses and profit margin. He suggested that all housing related reports, and official documents and circulars on housing sector can be made available on a convenient location for not only a researcher but any interested citizen. The central and state governments need to encourage research on housing sector as a healthy housing sector can ensure a strong national economy.

Dr. Ravindra P. S. (2013), observed that “We would rate LICHF’s disclosure standards as better than HDFC’s; LIC’s agency base is one of the most potent and efficient distribution forces in India and LICHF has one of the most efficient operations with its Op. Exp/AUM (Operating Expenses to Assets Under Management) ratio now below HDFC’s. It can be concluded that the consistency is observed in financial parameters of LICHFL and HDFC over the years, and LICHF has performed well in comparison with HDFC in both financial and operational aspects during the study period.”

Souvik Ghosh (2014), states that when EMIs are high, eligibility will become less. If loan tenure is increased then EMI will be less. So, one should opt for a higher tenure. Generally banks offer a 20 to 30 years tenure of loan. The role of the financing institutions viz. Banks and Housing Finance Companies has grown substantially over the years. When a home loan application is scrutinized, lenders look for personal details such as a good credit history, yearly and monthly income, existing EMIs of the constomer, a clear title to the house property and the location of the house before a home loan application is approved.

Mittal S. (2014), found that age, occupation and education significantly influence the customer’s choice for a particular type of bank. There was a significant difference between the age-wise, education-wise and occupation-wise distribution of the two types of banks. The income of the customers and their choice of a particular type of bank were independent of each other.

Utkarsh Gupta and Dr. Richa Sinha (2015), observed that maximum percentage of the respondents had opted for Home Purchase category of Home loan, both in LIC (42%) and SBI (48%). Fixed rate of interest is the most preferred option by the respondents regarding the purchase of Home Loan. Low Rate of Interest, Easy Accessibility, Status/Reputation of the institution and Scheme offered by the company were the major factors that the respondents considered as the reason for selecting SBI as an institution for taking Home Loan, whereas the factor of Prompt service was found to be a major factor that the respondents considered as the reason for selecting LIC as an institution for taking Home Loan.

Parishwang Piyush, Himanshu Negi, Navneet Singh (2016), state that reform of the housing finance schemes for middle- and low-income households should take place simultaneously. If emphasis is put on the development of housing finance schemes for the poor and schemes for the middle-income households are neglected, middle-class groups will probably appropriate the schemes meant for the poor. Instead of interest subsidies on housing loans for the poor, one-time grants for households may be a better way to help them.

Dr. Anand Kumar (2016), found that there is a significant great relationship between housing finance sector and employment. Housing finance sector in India has multiple linkages, backward and forward with different industries. It is a very important part of income-generator in India. The role of the financing institutions viz. banks and Housing Finance Companies has grown rapidly over the years in the housing sector.

Nagar Rachana (2016), found that the major problems of housing finance sector of India are shortage of funds, inadequate mortgage and securitization laws, unhealthy competition among housing finance agencies and traditional thinking of Indians etc. Besides all such issues Housing finance market is having infinite growth potential. Government is trying to act as facilitator by offering a number of housing schemes for different sections of society, but due to poor administrative control and lack of strong will-power, most of the schemes are squeezed only up to the primarily levels and are never attained its ultimate objectives.

Mayur Shetty and Nauzer K. Bharucha (2017), have observed that “developers who build affordable homes are exempted from paying taxes on their profits for five years starting 2016 instead of three years. These are for 30 sq mt homes in the four metro cities and 60 sq mt in non-metro areas. In addition to interest subsidy, a move to allow 90% of provident fund money for home purchase is

spurring demand.” With effect from 1.4.2017 a new section 80-IBA- is introduced in the Income-tax Act for 100% Deductions in respect of profits and gains from affordable housing projects.

Abhijit Lele, (2017), states that two large Housing Finance Companies, HDFC and LIC have assets over one lakh crore each and cover 57% of home loan market. DHFL, Indiabulls and PNB HFL have combined market share of 21%. Five housing finance companies dominate housing finance market and lend 78% of home loans. HFCs’ share in total housing loans was 33% in March, 2012 and 37% in March, 2017. Commercial Banks’ share in total home loans has gone down from 67% to 63% in the last five years.

Ajay Khape (2017), says that the state government has approved new development control rules (DC Rules) for the Pune city allowing a maximum of 4 FSI for construction of buildings along the route of Metro Rail or any other mass rapid transit system. This will give a boost to the construction of high-rise buildings across the city. The construction should be only for small tenements between minimum 270 sq. ft. and maximum 1300 sq. ft. built up area in these buildings. This raising of FSI to four with a condition for smaller houses will help to reduce cost and affordability for the prospective buyers of home.

Advait Rao Palepu, (2018), says that as per the National Housing Board, disbursement of housing loans up to Rs. 10 Lakhs increased from 309.2 billion in 2014-15 to 429.9 billion in 2016-17 representing 39% growth. Disbursements of housing loans above 25 lakhs increased from 1167.65 billion in 2014-15 to 1688.66 billion in 2016-17 representing 44 % growth. However, Housing Finance Companies witnessed a rise in NPA level in 2 lakh loan category. We should be careful to keep NPAs in control.

Shailesh Menon, Deepali Gupta (2018), say that “Smaller players are vulnerable and could be in dire straits if their non-performing assets (NPAs) turn credit losses. They maintain a narrow capital base and have very little financial support. It’s no wonder several are forced to adopt unconventional means, petitioning the sarpanch or naming defaulters at an open gram sabha. A clean-up looks inevitable. There were just about 70 HFCs in mid-2016; a year later, this number had risen to 82. At present, there are 92 HFCs operating and 14 more waiting for approval from National Housing Bank, their regulator.”

Balanaga Gurunathan K, Nidhi Ahuja (2020), has examine the financial operations of Housing Finance Company in India from the year 2014-15 to 2018-19. Major sources of data are HFCs reports including NHB and RBI. Some selected parameters like liquidity, solvency, valuation and profitability ratios has been used for analysing the financial viability of some selected housing finance Companies listed in recognized stock exchanges for the period from 2014-2015 to 2018-2019. Keeping the focus on above points in mind, the researcher has made an effort to study the financial performance of selected housing finance companies and offer suggestions for the improvement of efficiency in the selected Housing Finance Companies.

ANALYSIS AND INTERPRETATION

As per the Census of 2011, population of Aurangabad was 124 lakhs and population of Pune city was 31 lakhs which is roughly in the proportion of 4:1 and hence the sample size of 625 respondents was taken in the same proportion. 500 residents from Aurangabad and Aurangabad suburban district and 125 residents from Pune district were selected on random basis for the study. As purchase of house and obtaining housing loan is dear and close to everybody’s heart the people who have already taken housing loan in the past, people whose loan installments are at present going on and people who have never taken house or housing loan, all were considered as respondents.

In the sample size of 625 respondents, those having age of more than 18 and up to 25 are 129 persons (21%). Those having age of more than 25 and up to 50 years are 372 persons (60%). Respondents having age of more than 50 and up to 75 years are 122 (19%) and those having age of more than 75 years are 2 persons. The sample consists of mainly of young persons. If we take the number of persons having age up to 50 years then it is 501 out of 625 which works out to 80%. The sample consists of less people having age of more than 50 years. Only 124 persons are having age of more than 50 years (20%).

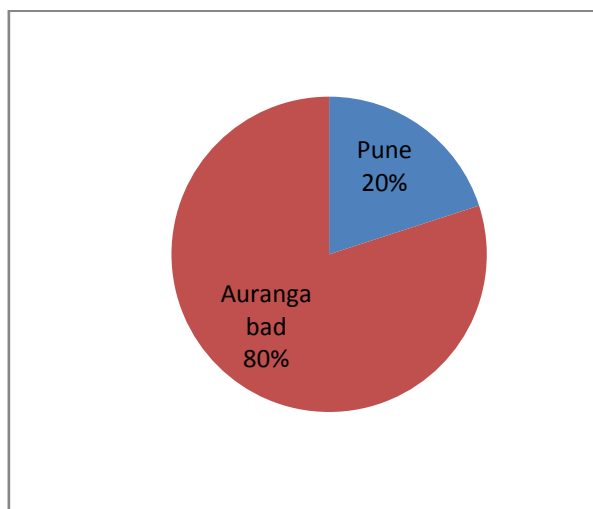


Fig. 1 Area-wise sample distribution

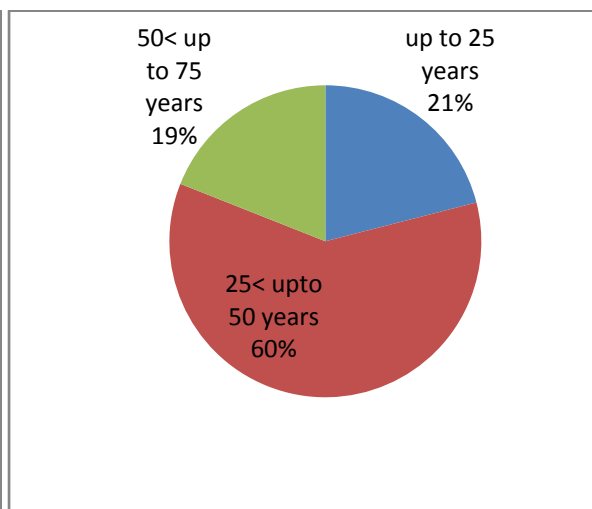


fig. 2 Age-wise sample distribution

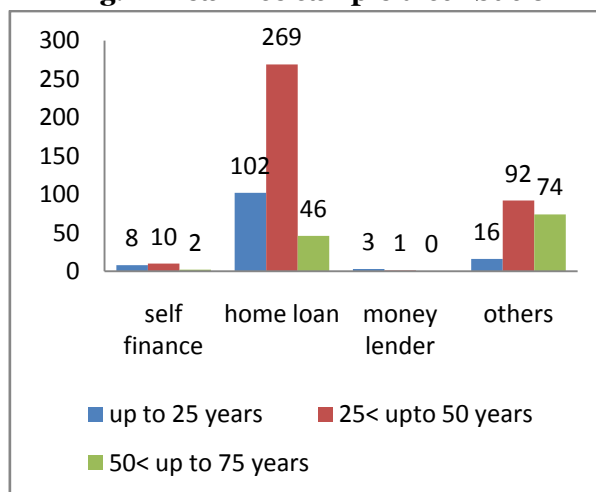


Fig. 3: Age-wise Respondents who are willing to take a Home Loan

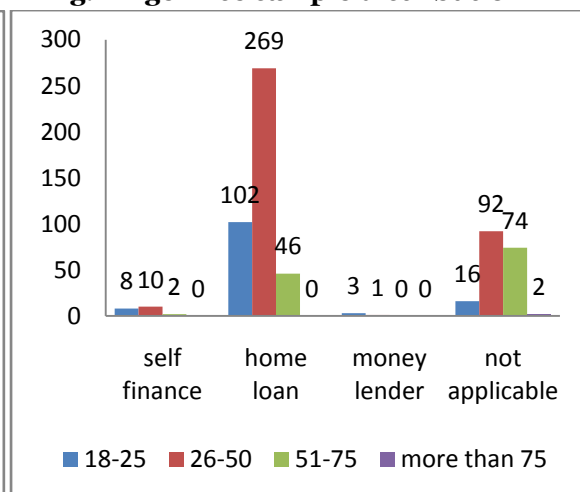


Fig. 4: Source of finance wise Age of willing to Prospective Borrowers

The above chart shows that in the age group of more than 18 and up to 25 years, 102 people are willing to take home loan from banks or financial institutions out of 129 respondents (79.07%). In the age group of more than 25 years up to 50 years, 269 people are willing to take home loan from banks or financial institutions out of 372 respondents (72.31%). In the age group of more than 50 years up to 75 years, 46 people are willing to take housing loan from banks or financial institutions out of 122 respondents (37.70%). The maximum number of people willing to take home loan from financial institutions is 269 in the age group of more than 25 up to 50 years as in this age people get home loan very easily due to good earning and loan repayment capacity. The minimum number of people willing to take home loan from financial institutions is zero in the age group of more than 75 years as the earning and loan repayment capacity is reduced and financial institution are not willing to give home loans to people beyond the age of 75 years.

It can be seen that as the age advances, willingness to take home loan goes down. In the age group of more than 18 years and up to 25 years, the willingness to take home loan is maximum i.e. 79.07 % which has gone down slightly to 72.31% in the age group of more than 25 years up to 50 years and it has drastically reduced to 37.70% in the age group of more than 50 years up to 75 years. Beyond 75 years there were only two respondents and both are not willing to take home loan.

As the age advances beyond 60, the earning capacity of a person reduces. In case of a person having age of more than 50 years, loan repayment capacity is reduced as generally people retire at the age of 60 years of age. Banks and financial institutions are also not willing to give housing loan to a

person if the tenure of his loan ends in the period after his retirement. Home loan buyer may pay loan installments easily till his retirement but making payment of housing loan installments after the age of 60 or after retirement is not easy.

The above fig 4 shows that the maximum prospective borrowers of housing loan from banks or financial institutions are in the age group of more than 25 up to 50 years which is 269 people. The number of prospective borrowers of housing loan in the age group of more than 18 and up to 25 years is 102. Only 46 people in the age group of more than 50 up to 75 years are willing to take a housing loan. Out of the total sample size of 625 respondents, 417 people are willing to take a housing loan from banks or finance institutions (66.72%). Lending institutions and bankers should concentrate on the people in the age group of more than 25 up to 50 years as their prospective borrowers of home loan.

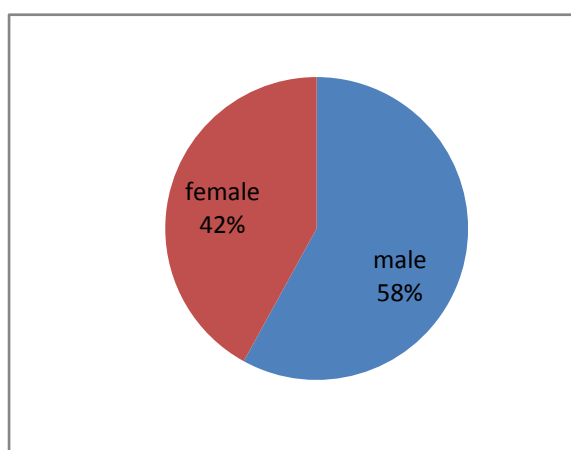


Fig. 5: Gender-wise Distribution

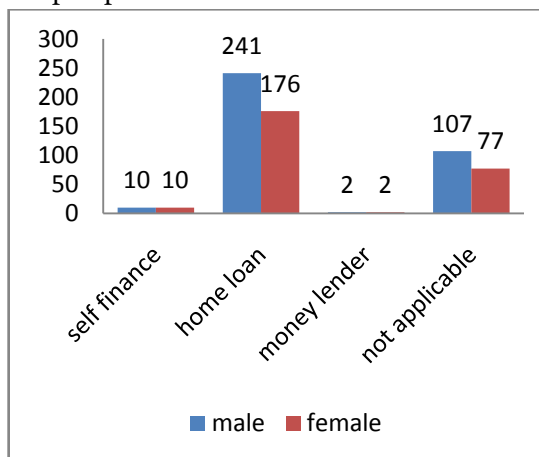


Fig. 6: Gender wise prospective borrowers

In the sample size of 625 respondents, 360 were male respondents which is 58% and 265 respondents were female, which is 42% of the total sample size. Gender wise the sample is fairly distributed.

Out of 625 respondents, 441 respondents (70.56%) want to buy a new house. Out of 360 male respondents, male who want to buy a new house are 253 (70.27%) and out of 265 female respondents, female who want to buy a new house are 188 (70.94%). Out of 360 male, those who want to take housing loan from bank or financial institutions are 241 (66.94%). Out of 265 female, those who want to take a housing loan from bank or institutions are 176 (66.41%). It can be seen that there is no much difference in male or female in willingness to buy a new house, for male it is 70.27% and for female it is 70.94%. Again in willingness to take a housing loan from banks or financial institutions there is no much difference in male or female, for male it is 66.94% and for female it is 66.41%.

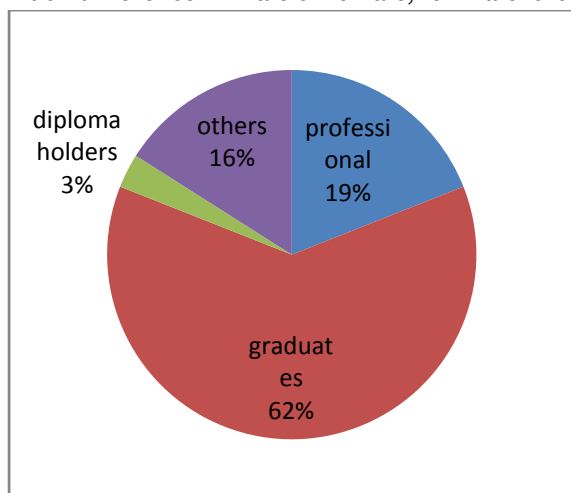


Fig. 7: Educational Qualifications wise Respondents

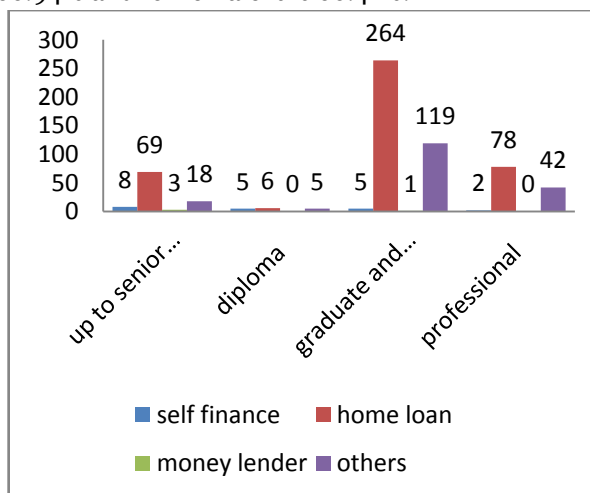


Fig. 8 Education wise Prospective Borrowers

It is observed that only 19.52% of the sample size is highly qualified with a professional degree whereas maximum number of the sample size i.e. 389 (62.24%) respondents are having qualification of graduates and above. Diploma holders are only 16 (2.56%) whereas those up to qualification of senior secondary are 98 (15.68%) respondents. The maximum number in the above chart is 389, which represents education qualification “graduates and above” of the respondents. The minimum number in the above chart is 16, which represents education qualification “diploma holders” of the respondents.

From the above fig. 8 it is clear that willingness to take home loan is affected by the educational background of the respondents. In the education category of up to senior secondary, graduates and above, professionals, willingness to take home loan is 70.41%, 67.87% and 63.93% resp. In case of diploma education category, willingness to take home loan is only 37.50%.

The maximum number of people willing to take home loan is 264 in the category of “Graduate and above” whereas the minimum number of people willing to take home loan is 6 in the category of “Diploma.” This is due to the large number of sample is in the category of “Graduates and above” than in the category of “Diploma” and respondents with qualification of graduate and above have better earning and loan repayment capacity than the people with diploma qualification. There are total 389 respondents in the category of “Graduates and above” and there are four sources of finance for buying home. On an average each source should have 97 respondents (389/4) but for “home loan from financial institutions” respondents are 264 and for “other sources” like loans from friends and relatives there are 119 respondents which is far more than the average of 97 respondents. For “self-finance” and “money lenders” source only 5 and 1 respondent is there which is very much less than the average of 97 respondents.

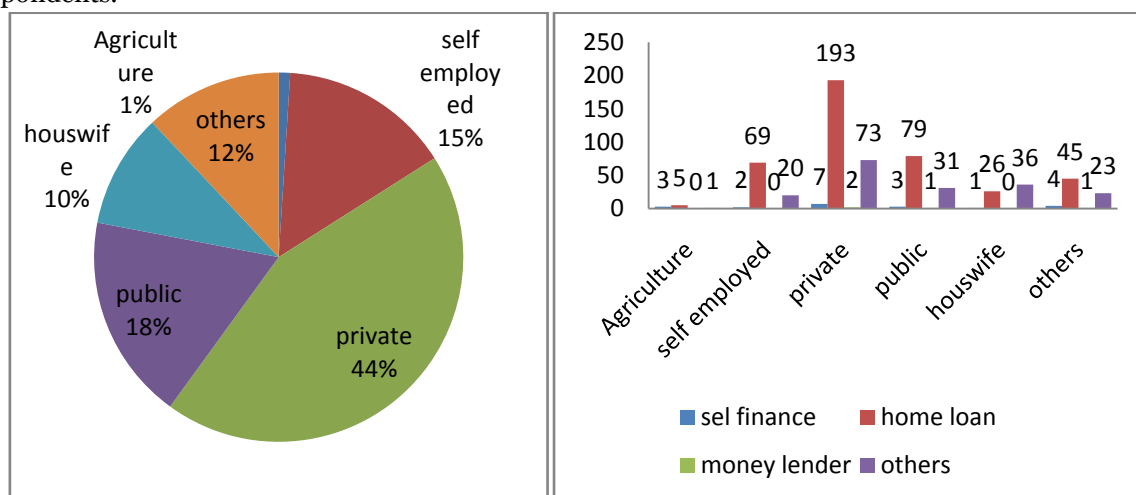


Fig. 9: Occupation-wise Respondents Fig.10 Occupation-wise Prospective Borrowers

It can be seen that the highest percentage of willingness to take a home loan from banks or other financial institutions is amongst the self-employed people other than agriculturists (75.82%). Salaried people in the private sector and in the public sector also show willingness to take a home loan from banks or financial institutions to the extent of 70.18% and 69.30% resp. Those who are self-employed in the agriculture sector show willingness to take a home loan from banks or other financial institutions to the extent of 55.56%. In case of housewives and others, willingness to take home loan from bank or financial institution is 41.27% and 61.64% respectively. It can be seen that the maximum percentage of prospective borrowers is 75.82% which is in the category of “self-employed (non-agriculture)” and the minimum percentage of prospective borrowers is 41.27% which is in the category of “housewife.” This is because the earning and loan repayment capacity of self-employed (non-agriculture) people is far better than such capacity of housewives. It can be seen that banks and other financial institutions should concentrate more on self-employed people other than agriculturists and private or public sector employees as their prospective borrowers of home loan. Sanctioning of a home loan and disbursement of a home loan mainly depends upon the earning capacity and repayment capacity of the borrower which in turn depends upon the occupation of the borrower.

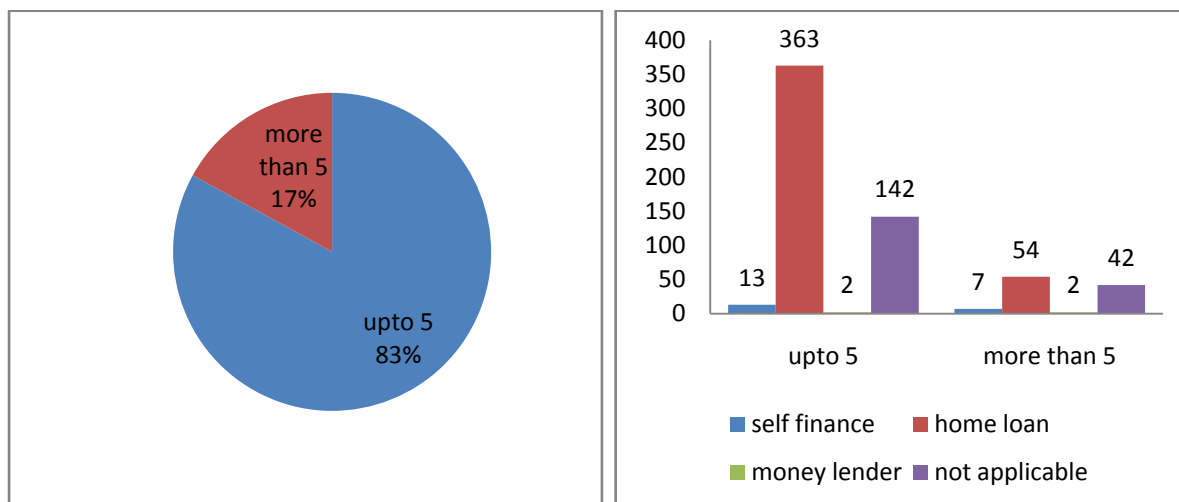


Fig 11: Family Size wise Respondents fig. 12: Family size-wise Prospective Borrowers

Family size up to 5 = 520, Family size more than 5 = 105; Due to urbanization, family planning and nuclear family system, it can be seen that 520 people, nearly 83.20% of the sample are having a family size of members up to 5 and only 16.80% of the sample i.e. 105 people are having a family size of members more than 5.

It is observed that 69.81 % of the people having a small family of up to 5 members are willing to take a home loan from banks or other financial institutions. In case of people having a bigger family size of more than 5 family members, out of 105 persons, only 54 persons i.e. 51.43% are willing to take a home loan from banks or other financial institutions.

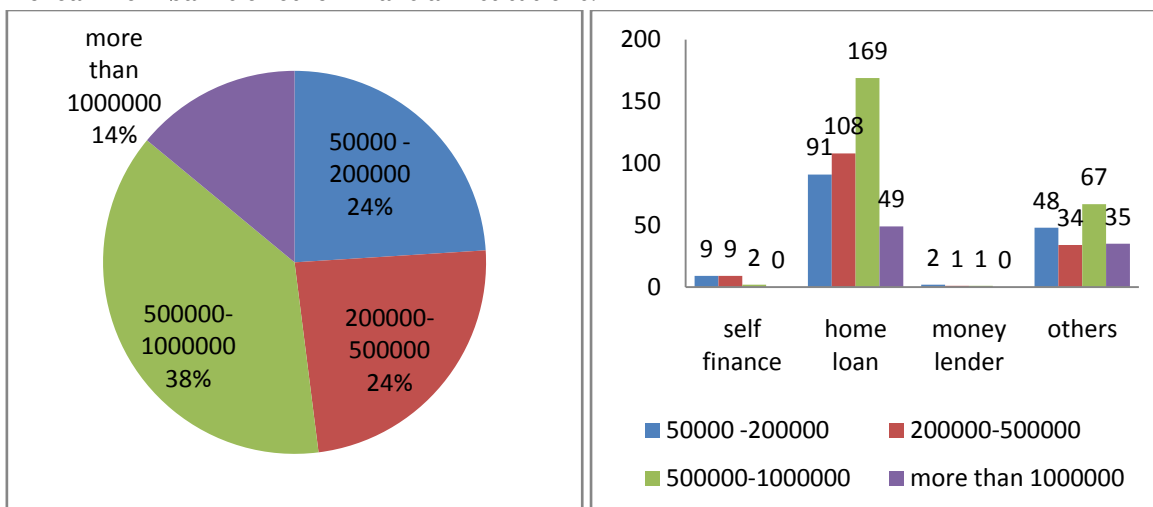


Fig. 13: Pie Chart of Annual Income-wise Respondents

fig 14: Annual Income-wise Prospective Borrowers

Out of 625 respondents, maximum respondents belong to the category of annual income of more than Rs.5 lakh up to Rs.10 lakh (38%). The number of respondents having annual income of more than Rs.2 lakhs up to Rs.5 lakhs is 24%.

In the sample size of 625 respondents from Aurangabad, Aurangabad suburban and Pune, majority of people, 541 (86%) are having annual income up to Rs.10 lakh. It is due to the fact that in the sample 38% respondents have income more than Rs.5 lakh.

It can be observed that in the income group of up to Rs.2 lakh p.a. only 91 out of 150 people (61%) are willing to take a home loan from banks or other financial institutions.

In the income group of more than Rs.2 lakh up to Rs.5 lakh p.a. 108 out of 152 people (71%) are willing to take a home loan from banks or other financial institutions.

In the income group of more than Rs. 5 lakh up to Rs.10 lakh p.a., 169 people out of 239 (71%) are willing to take a home loan from banks or financial institutions. In the income group of more than 10 lakh p.a. 49 out of 84 people (58%) are willing to take home loan from banks or other financial institutions.

The maximum number of prospective home loan borrowers is 169 and it is in the income group of more than Rs.5 lakh p.a. to Rs.10 lakh p.a. The minimum number of prospective home loan borrowers is 49 and it is in the income group of more than 10 lakh p.a.

This is due to the fact that respondents having income of more than Rs.5 lakh up to Rs. 10 lakh p.a. is 38% of the sample size and the same is only 14% in case of respondents having income of more than Rs.10 lakh p.a. It is also possible that the requirement of house and housing loan is more in the income group of more than Rs.5 lakh up to Rs.10 lakh p.a. than in the category of more than Rs.10 lakh p.a.

Total prospective borrowers are 417 in four income categories. On an average there should be 104 (417/4) respondents in each category. The number of prospective borrowers in the category of “more than Rs.2 lakh up to Rs.5 lakh p.a.” and more than Rs.5 lakh up to Rs.10 lakh p.a.” are 169 and 108 resp. which is more than average and in the category of “up to Rs.2 lakh p.a.” and “more than Rs.10 lakh p.a.” category there are less than average prospective borrowers.

CONCLUSIONS

There is an acute shortage of housing in Maharashtra and in India in both urban and rural areas. Drastic action is required to be taken to boost construction of houses and to increase housing loans. Urban population is increasing at a very fast rate. Urban poor are living in rented houses or in slums or on the foot path in very shabby and dirty conditions without basic facilities like water, electricity, sanitation etc. Cost of house is the main important factor associated with growth of housing and housing finance. As cost of house in urban areas is very high, it is beyond the reach of middle class and lower middle class to have a house even with a housing loan. Cost of house should be drastically reduced to bring it in the capacity of the common man. Out of 360 male respondents, male who want to buy a new house are 253 (70.27%) and out of 265 female respondents, female who want to buy a new house are 188 (70.94%). Out of 360 male, those who want to take housing loan from bank or financial institution are 241 (66.94%). Out of 265 female, those who want to take a housing loan from bank or financial institution are 176 (66.41%). It is observed that there is no much difference in male or female in willingness to buy a new house, for male it is 70.27% and for female it is 70.94%. Again in willingness to take a housing loan from banks or financial institutions there is no much difference in male or female, for male it is 66.94% and for female it is 66.41%. In occupation wise analysis of the sample, 75.82% of the self-employed people showed willingness to buy a house with home loan. The same percentage for private sector employees is 70.18% and for public sector employees, 69.30% people showed willingness to take a home loan. In Chi Square test, it is observed that occupation of the respondent has no impact on the growth of housing finance. With family size of up to 5 members, willingness to take home loan was 69.81%. In case of people with family size of more than 5 members, only 51.43% people showed willingness to take a home loan. In Chi Square test, it is observed that the size of family in case of the respondents has impact on the growth of housing finance. It is observed that in the income group of up to Rs. 2 lakhs p.a. only 91 out of 150 people (61%) are willing to take a home loan from banks or other financial institutions. In the income group of more than Rs. 2 lakhs up to Rs. 5 lakhs p.a. 108 out of 152 people (71%) are willing to take a home loan from banks or other financial institutions. In the income group of more than Rs. 5 lakhs up to Rs. 10 lakhs p.a., 169 people out of 239 (71%) are willing to take a home loan from banks or financial institutions. In the income group of more than 10 lakhs p.a. 49 out of 84 people (58%) are willing to take home loan from banks or other financial institutions.

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