

# REASSESSING RESIDENTIAL REAL ESTATE: A STUDY OF ITS INVESTMENT VALUE

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## Abstract

Residential real estate has been regarded for a long time as a key factor in wealth generation and portfolio diversification. As an asset for investment, it delivers a unique combination of physical value, income through rental yields, and the potential for capital growth. Unlike stocks or bonds, residential properties offer utility and shelter, which makes them inherently valuable and less volatile during economic downturns. This paper delves into the attributes that make residential real estate a persuasive investment, including its risk-return profile, inflation-hedging properties, and tax benefits.

It also investigates market dynamics, demographic trends, and regulatory factors that impact residential property values. While there are challenges such as illiquidity, maintenance costs, and market cyclicalities, a well-planned investment in residential real estate can lead to considerable long-term rewards. The study wraps up by underscoring the importance of location, property management, and macroeconomic indicators in maximizing investment outcomes.

## Keywords

Real Estate market, investor behavior, real estate regulation act, market trends, property investment, return investment, government policies, capital appreciation.

## Introduction

Residential real estate has emerged as a prominent investment avenue, offering individuals and institutions a tangible and potentially lucrative asset class. Unlike traditional financial instruments such as stocks and bonds, residential properties provide both intrinsic value and the potential for consistent income through rental yields. The appeal of owning physical property, coupled with its capacity to appreciate overtime, has made residential real estate a preferred choice for long-term investors seeking stability and wealth accumulation.

In recent decades, demographic shifts, urbanization, and evolving lifestyle preferences have significantly influenced housing demand, reshaping the residential real estate landscape. Moreover, low interest rates and favorable government policies have further incentivized investment in this sector. However, like any investment, residential real estate carries its own set of risks, including market volatility, maintenance costs, and regulatory challenges.

This paper aims to explore the multifaceted nature of residential real estate as an investment asset, analyzing its benefits, risks, and strategic considerations. By examining historical trends, economic indicators, and investor behavior, we seek to understand how residential properties can be effectively leveraged to build and preserve wealth in a dynamic financial environment.

## Literature Review

The academic and professional literature on residential real estate investment highlights its dual role as both a consumption good and an investment vehicle. Early studies, such as those by Case and Shiller (1989), emphasized the cyclical nature of housing markets and the influence of macroeconomic factors like interest rates and inflation. More recent research has focused on the diversification benefits of real estate in mixed-asset portfolios, noting its low correlation with equities and bonds (Gyourko & Keim, 1992).

Scholars have also explored the behavioral aspects of real estate investment, including investor sentiment, market inefficiencies, and the impact of location-specific factors. The emergence of real estate investment trusts (REITs) has further expanded the scope of analysis, allowing for more liquid and diversified exposure to residential properties. Despite its appeal, literature also cautions against over-leverage and the risks associated with property bubbles, as seen during the 2008 global financial crisis.

## Benefits and Risks of Residential Real Estate Investment

### Benefits

#### 1. Steady Income Stream

Owning rental property can provide a dependable source of monthly income. This is especially true in areas with high rental demand and low vacancy rates. The income can help cover mortgage payments, property taxes, and maintenance costs, while also generating profit. Over time, this cash flow can become a stable financial foundation, particularly for retirement planning or reinvestment. Unlike some investments, rental income is relatively predictable and can be adjusted with inflation.

#### 2. Appreciation Potential

Residential properties generally increase in value over time due to market growth, infrastructure development, and rising demand. Strategic improvements like renovations or energy-efficient upgrades can further boost property value. Appreciation can result in significant capital gains when the property is sold. While market cycles can cause short-term fluctuations, long-term trends often favor growth, especially in urban or developing areas.

#### 3. Tax Advantages

Real estate investors benefit from several tax deductions, including mortgage interest, property taxes, insurance, and depreciation. Depreciation allows you to deduct a portion of the property's value annually,

even if the market value is rising. These deductions can significantly reduce taxable income, improving overall returns. Additionally, capital gains taxes may be deferred or reduced through strategies like 1031 exchanges in some countries.

#### 4. Leverage Opportunities

Real estate allows investors to use borrowed money to acquire property, amplifying potential returns. With a mortgage, you can control a high-value asset with a relatively small down payment. If the property appreciates or generates strong rental income, your return on equity can be substantial. Leverage also enables portfolio growth without needing full cash up front, though it must be managed carefully to avoid overexposure.

#### 5. Inflation Hedge

Real estate is considered a strong hedge against inflation. As the cost of living rises, so do property values and rental rates, helping maintain or increase your income. Unlike fixed-income investments that lose purchasing power over time, real estate tends to keep pace with inflation. This makes it an asset for preserving wealth in the long term.

#### 6. Tangible Asset

Real estate is a physical asset you can see, manage, and improve. This tangibility gives investors a sense of control and security that intangible assets like stocks may lack. You can directly influence its value through renovations, better tenant management, or strategic marketing. It also provides utility—people need places to live—making it a fundamentally necessary investment.

#### 7. Portfolio Diversification

Including real estate in your investment portfolio adds a different asset class that behaves independently of stocks and bonds. This diversification helps reduce overall risk and volatility. Real estate often performs well during periods when other investments are struggling, offering balance and stability. It also provides both income and growth potential, making it a versatile addition to any portfolio.

## Risks

#### 1. Market Volatility

Real estate markets can be unpredictable, influenced by economic conditions, interest rates, and local factors like employment trends or infrastructure changes. A downturn can reduce property values, making it harder to sell or refinance. Unlike stocks, which can be sold quickly, real estate may take time to recover from market slumps, potentially locking in losses or delaying returns.

#### 2. Liquidity Issues

Real estate is not a liquid asset. Selling a property can take weeks or months, and may require price reductions or costly improvements to attract buyers. This makes it difficult to access cash quickly in

emergencies or to take advantage of other investment opportunities. The process also involves legal and administrative steps that can slow down transactions.

### **3. High Upfront Costs**

Investing in residential property requires significant initial capital. This includes down payments, closing costs, legal fees, and often renovation expenses. These costs can be a barrier for new investors and may take years to recover through rental income or appreciation. Additionally, financing may be difficult to obtain without a strong credit profile or financial history.

### **4. Ongoing Maintenance**

Properties require regular upkeep to remain habitable and attractive to tenants. This includes routine repairs, seasonal maintenance, and unexpected issues like plumbing or electrical failures. Neglecting maintenance can lead to tenant dissatisfaction, vacancies, and reduced property value. Managing these tasks can be time-consuming and costly, especially for self-managed properties.

### **5. Tenant Risk**

Rental income depends on tenants paying rent on time and maintaining the property. Problematic tenants can cause damage, delay payments, or require legal action for eviction. Vacancies also reduce income and increase costs, especially if the property remains empty for extended periods. Proper screening and management are essential but don't eliminate all risks.

### **6. Legal and Regulatory Challenges**

Landlords must comply with various laws and regulations, including tenant rights, eviction procedures, safety standards, and zoning rules. These laws vary by location and can change over time, potentially increasing costs or limiting your ability to manage the property. Non-compliance can result in fines, legal disputes, or reputational damage.

### **7. Interest Rate Sensitivity**

Real estate investments are highly sensitive to interest rate changes. Rising rates can increase mortgage payments, reduce affordability for buyers, and lower property values. This can affect both your ability to finance new purchases and the value of resale existing properties. Investors must monitor rate trends and plan financing strategies accordingly.

## **Investment Strategies in Residential Real Estate**

Investing in residential real estate requires a strategic approach to maximize returns and mitigate risks. Several strategies are commonly employed by investors, depending on their financial goals, risk tolerance, and market conditions:

## 1. **Buy and Hold Strategy**

This is a long-term investment approach where investors purchase residential properties and rent them out. The goal is to generate consistent rental income while the property appreciates in value over time. It's ideal for those seeking passive income and long-term capital growth. Investors benefit from tax advantages, equity buildup, and relatively stable returns, especially in growing markets.

## 2. **Fix and Flip**

This strategy involves buying properties that are undervalued or in poor condition, renovating them, and selling them at a profit. It requires a good understanding of renovation costs, market demand, and timing. While it can yield high returns quickly, it also carries significant risks due to unpredictable expenses, market shifts, and potential delays in selling.

## 3. **Short-Term Rentals**

Platforms like Airbnb and Vrbo have made short-term rentals a popular strategy. Investors can earn higher income compared to traditional leases, especially in tourist-heavy areas. However, this approach demands active property management, frequent cleaning, and compliance with local laws and zoning regulations. Seasonal demand and competition can also affect profitability.

## 4. **Real Estate Investment Groups (REIGs)**

REIGs allow individuals to invest in residential properties without directly owning or managing them. These groups pool funds from multiple investors to buy and manage properties, distributing profits among members. It's a hands-off approach suitable for those who want exposure to real estate without the responsibilities of being a landlord.

## 5. **Real Estate Investment Trusts (REITs)**

REITs are companies that own or finance income-producing real estate. Investors can buy shares of REITs on stock exchanges, gaining access to real estate returns with high liquidity and diversification. Residential REITs focus on apartment complexes, housing developments, and rental units. They're ideal for investors who prefer passive, stock-like investments.

## 6. **House Hacking**

This strategy involves living in one part of a multi-unit property (like a duplex or triplex) while renting out the other units. It helps offset mortgage payments and operating costs, making homeownership more affordable. House hacking is especially popular among first-time investors looking to build equity while minimizing living expenses.

## Research Methodology

### Type of Research

The research applies a descriptive and analytical research design to explore the nature and potential of residential real estate as an investment vehicle. The descriptive part seeks to ascertain and highlight the investor and professional traits, trends, and behavior within the real estate market. It specifically targets elaborating on contemporary events — ranging from levels of awareness, influencing factors on investment decisions, perceived risks, and expected returns. This research methodology is appropriate because it identifies the opinions, attitudes, and tastes of general investors and real estate professionals without changing any variable.

The analytical section of the research extends beyond description, with a desire to explain the why and how certain factors affect residential property investment. Relying on statistical methods and hypothesis testing, it explores relationships between variables like perceived risk, policy initiatives, and investment action. This analysis helps to unveil correlations or trends explaining investor confidence and market processes.

Secondly, the study employs a mixed-methods approach, combining both qualitative and quantitative methods. Quantitative data is collected using standardized questionnaires and analyzed using statistical methods to ensure objectivity and reliability. On the other hand, qualitative data is collected from interviews, observations, and literature reviews to add depth and contextual understanding to the findings. Together, these methods present a comprehensive vision of residential property as an investment property — balancing quantifiable outcomes with ground-level observations from practitioners and investors.

### Research objectives

The primary objective of this study is to examine and evaluate residential real estate as a portfolio investment asset, considering its profitability, reliability, and place within an investor's portfolio. This research aims to compare how residential real estate performs when compared to other types of investments like stocks, gold, or bonds in terms of risk, return, and liquidity. It is seeking to determine if property is still viewed as a safe and reliable asset among investors in today's economic situation.

A further important objective is to identify determinants of investment decisions in the residential property market. These could include location, price of property, rental return, government policies, finance availability, and investor sentiment toward market risk. Understanding these determinants is vital to appreciating why real estate is preferred among some demographics over other investments and how preferences have changed in recent years.

The study also intends to assess the perspectives of both professional and general investors towards residential property investment. Through comparison of these two perspectives, the study hopes to offer a deeper insight into the market, with an emphasis on highlighting differences between professional and investor expectations.

In addition, the research seeks to evaluate how government policies like the Real Estate (Regulation and Development) Act (RERA), Pradhan Mantri Awas Yojana (PMAY), and tax benefits shape investment behavior. These reforms have impacted considerably on transparency, confidence among buyers, and affordability, thereby making it important to study their impacts on investment patterns.

Finally, the study intends to ascertain the risks and challenges that investors face in residential real estate, such as price movements, liquidity issues, legal issues, and maintenance costs, as well as examine the future prospects of this asset class in the Indian scenario. Through the achievement of these aims, the study hopes to provide useful insights into the investment market for residential real estate.

## Research hypothesis

A research hypothesis provides a tentative assumption or explanation that can be statistically verified to determine variable relationships. This study seeks to examine how investor factors influence the choice to invest in residential property and how investors perceive government policy, return, and risk in influencing investment choices.

The central hypothesis of this study is focused on the relationship between investors' risk perception and their willingness to invest in residential real property. It assumes that people's risk perception — market volatility, liquidity issues, or policy uncertainty — is significant in determining their investment decisions. In this regard, the following hypotheses are expected:

Null Hypothesis ( $H_0$ ): Investors' risk perception has no significant influence on their investment intentions in residential real estate.

Alternative Hypothesis ( $H_1$ ): Investors' risk perception has a significant influence on their investment intentions in residential real estate.

The hypotheses will be tested based on survey data collected from general investors and experts alike to determine if risk perception is an essential component of investment choice.

A second set of hypotheses examines the effect of government policies on investment in residential property. Policies like the Real Estate (Regulation and Development) Act (RERA) and the Pradhan Mantri Awas Yojana (PMAY) have been implemented to introduce transparency and affordability in the housing market. The research assumes that the measures significantly influence investor confidence and market participation.

Null Hypothesis ( $H_0$ ): Government policies have little or no impact on decisions involving residential real estate investments.

Alternative Hypothesis ( $H_1$ ): Government policies have a significant impact on decisions involving residential real estate investments.

Through testing these hypotheses, the research aims to verify whether risk perception and policy factors are statistically significant determinants of investment behavior. The research will help identify the factors that best induce investors to consider residential real estate an acceptable and profitable asset class, therefore improving academic understanding and applied decision-making within the industry.

By testing these hypotheses, the study hopes to determine whether risk perception and policy factors are statistically significant drivers of investment behavior. The results will assist in identifying the factors most strongly influencing investors to see residential real estate as a viable and profitable asset class and thereby enhance both research understanding and actual decision-making in the field.

## Data Collection Methods

This research uses primary and secondary data to present a complete picture of residential property as an investment vehicle. Primary data are obtained directly from the respondents using structured questionnaires and surveys aiming to gather investor behavior, risk perception, and professional opinions. These data present firsthand information regarding the preferences, expectations, and issues felt by both general investors and real estate professionals. Secondary data are obtained from credible sources like academic journals, research articles, government publications, real estate consultancy reports, and market studies. Such sources offer context, trends, policy influence data, and industry standards that are supplemental to the primary data. Structured questionnaires are utilized in collecting data through online means like Google Forms or Microsoft Forms to cover both public respondents and professionals with ease. The questionnaires encompass close-ended, Likert scale, and multiple-choice questions to meet standards of consistency, responsiveness, and effective analysis. Apart from surveys, qualitative information is gathered via brief interviews with experts to gain insights into market forces and policy impacts. With the use of a mixed method, the study will capture measurable patterns and in-depth views, making the findings more reliable and relevant.

## Data Analysis

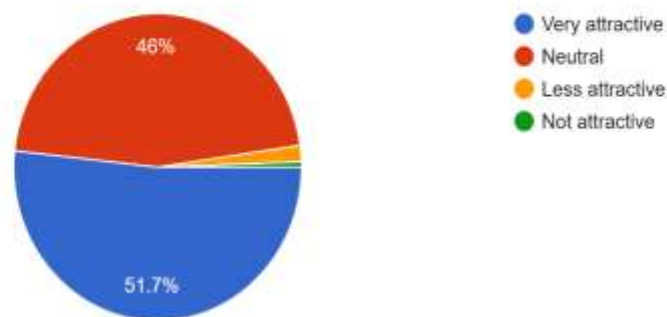
A total of 176 responses were collected to analyze public and professional opinions on residential real estate as an investment asset. The results show that most respondents view residential property as a safe, stable, and profitable long-term investment. A majority expressed a strong likelihood to invest in the future, reflecting

growing confidence in the real estate sector. The data indicate that risk perception is mostly moderate, meaning investors recognize certain challenges but still trust the market's stability. The main advantages identified include tangible ownership, potential for long-term value growth, and steady rental income. Respondents also highlighted location as the most influential factor determining success in property investment. The analysis further shows that mid-aged individuals (36–45 years) are the most active participants in this field, likely due to higher financial capacity. Overall, the findings suggest that residential real estate continues to be perceived as a reliable and rewarding investment option, supported by positive market expectations and government initiatives.

## Findings

In your opinion how attractive is residential real estate as an investment asset compared to other assets like ( stock, bond, gold)?

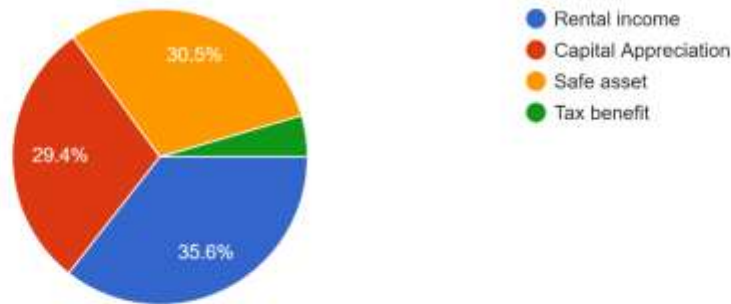
176 responses



The pie chart shows how respondents perceive residential real estate as an investment asset compared to others like stocks, bonds, or gold. A majority of 51.7% of participants found residential real estate to be very attractive. Another 46% considered it neutral, meaning they neither favored nor opposed it strongly. Only a very small percentage viewed it as less attractive or not attractive. This indicates that most investors still have a positive outlook toward real estate. The tangible nature of property and the sense of ownership it provides contribute to this preference. Real estate is often considered a stable and long-term investment. It tends to be less volatile than stock markets, attracting conservative investors. The data reflects that residential property remains a preferred investment avenue for many. Overall, the chart highlights strong confidence in the real estate sector's potential.

### What is the main purpose people invest in residential real estate?

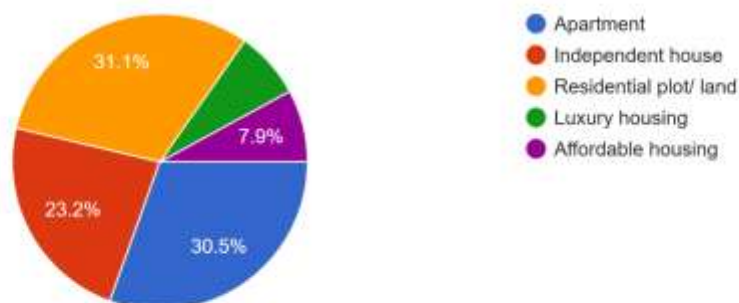
177 responses



The pie chart explains why people invest in residential real estate. The top reason is rental income, chosen by 35.6% of respondents, showing that many see it as a steady income source. The next major purposes include capital appreciation (29.4%) and safety (30.5%), reflecting that investors value both long-term growth and financial security. Only a small number invest mainly for tax benefits. This shows that financial returns and asset safety are the key motivators. Rental income provides regular cash flow, while appreciation builds wealth over time. The combination of safety and tangible value makes real estate appealing. Investors often view it as a hedge against inflation. The chart reflects that emotional and financial security drive investment behavior. In short, real estate is seen as both an income-generating and wealth-building tool.

### Which type of residential property do you think offers the best investment potential?

177 responses

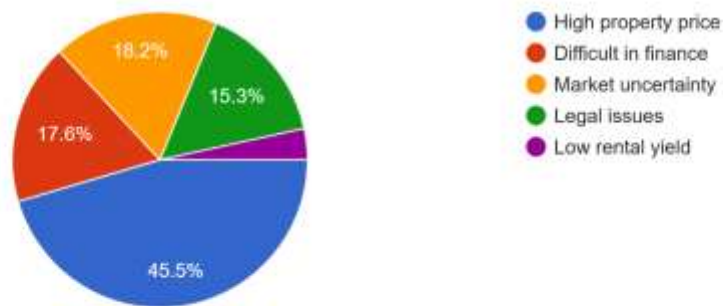


The pie chart highlights which type of residential property investors think offers the best investment potential. The highest preference is for residential plots or land (31.1%), followed closely by apartments (30.5%). This suggests that both ready-to-use and developmental assets are valued. Around 23.2% prefer independent houses, showing moderate interest in standalone properties. Luxury housing (7.9%) and affordable housing received

much lower preferences. This means investors are more drawn to mid-range and flexible options. Land is seen as a long-term appreciating asset, while apartments provide rental returns. Independent houses are valued for privacy but involve higher maintenance. Luxury and affordable housing might have limited buyers or returns. Overall, the chart shows that investors seek a balance between liquidity, value appreciation, and steady income.

### What are the biggest challenges in residential real estate investment?

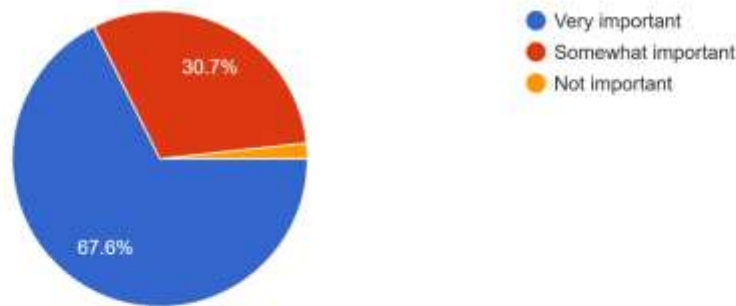
176 responses



The chart focuses on the main obstacles faced in real estate investment. The most significant challenge, chosen by 45.5%, is high property prices. This shows that affordability remains a barrier for most investors. The next issues are market uncertainty (18.2%), financing difficulties (17.6%), and legal issues (15.3%). A small percentage pointed to low rental yields as a problem. High property costs make it difficult for middle-class investors to enter the market. Unclear market trends create hesitation in investment decisions. Financial institutions' strict lending policies also make funding tough. Legal complications in land titles or disputes add to investor anxiety. Overall, the chart shows that economic and legal factors influence investor confidence. Addressing these issues could make the sector more accessible and reliable.

### How important location in determining the success of residential real estate investment ?

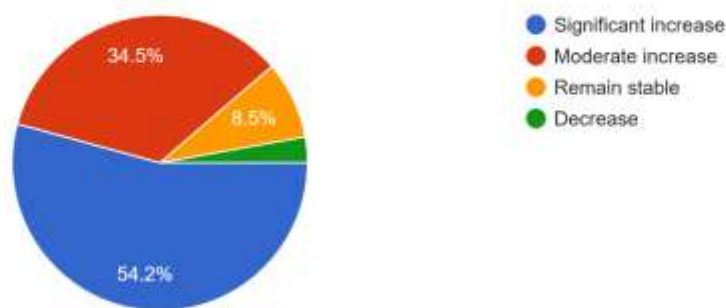
176 responses



The pie chart shows how important location is in determining investment success. A large majority, 67.6%, believe location is very important, while 30.7% consider it somewhat important. Hardly anyone thinks it is not important, showing a strong consensus. This reflects that location is the key determinant of property value and returns. A good location ensures better rental demand and future appreciation. Factors like connectivity, neighborhood development, and nearby amenities greatly influence decisions. Investors understand that even an average property in a prime area can yield better returns. Location also affects resale value and ease of finding tenants. Therefore, choosing the right place is crucial before investing. The chart clearly emphasizes that location remains the most powerful factor in real estate investment success.

### How do you expect residential property prices to behave in the next five years ?

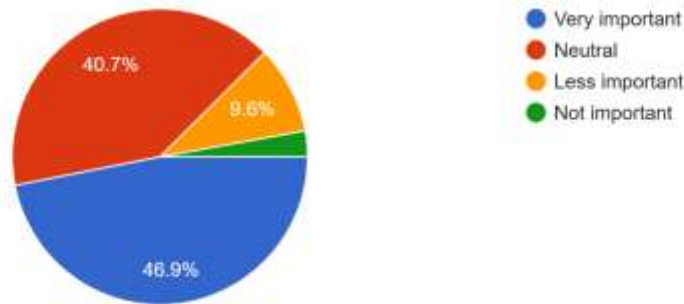
177 responses



The chart highlights people's expectations about residential property prices in the next five years. A majority, 54.2%, expect a significant increase, showing optimism about future market growth. Another 34.5% predicts a moderate increase, indicating stable confidence in rising values. Only 8.5% believe prices will remain stable, while a very small number expect a decrease. This reveals that most respondents have a positive outlook on property appreciation. Factors such as urbanization, population growth, and rising housing demand may drive this sentiment. Investors likely foresee continuous infrastructure development boosting property values. It also shows that real estate is viewed as a profitable long-term investment. The consensus reflects confidence in steady growth within the housing market. Overall, expectations for rising prices remain high among participants.

### How important is government policy support in encouraging residential real estate investment ?

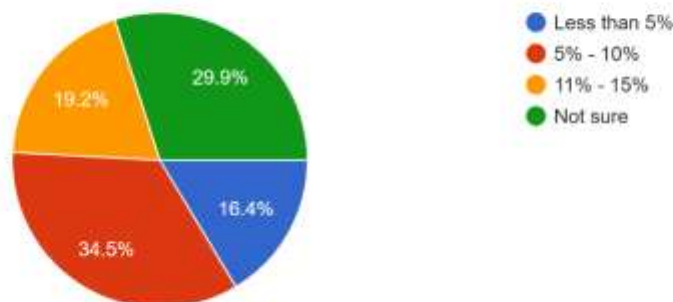
177 responses



The chart examines how important government policies are in encouraging residential real estate investment. Nearly 46.9% consider it very important, while 40.7% see it as neutral. Only 9.6% feel it is less important, and a tiny fraction find it not important at all. This indicates that most investors recognize the vital role of government support in shaping real estate growth. Policies on taxation, interest rates, subsidies, and regulations directly affect investment decisions. Supportive policies make real estate more accessible and profitable. Neutral responses may reflect uncertainty about policy effectiveness. Nevertheless, the high percentage of “very important” responses shows policy trust among investors. It highlights the need for a stable and transparent regulatory framework. Overall, the chart emphasizes that government intervention strongly influences investor confidence and market activity.

### What you think is the average annual return from residential real estate in your area?

177 responses

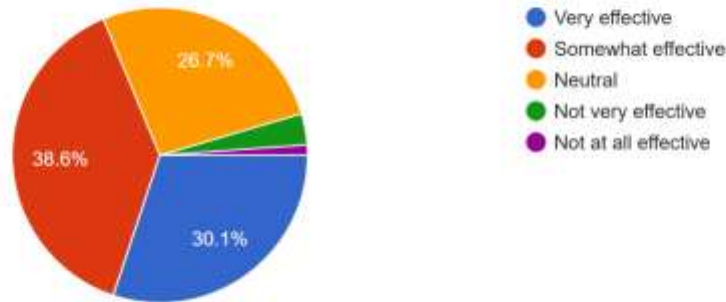


The chart explores people’s views on the average annual return from residential real estate. The largest group, 34.5%, expects a return of 5–10%, suggesting moderate but steady profitability. Around 19.2% anticipate 11–15% returns, reflecting optimism about high growth areas. Meanwhile, 16.4% think returns are less than 5%, showing some skepticism about yield potential. Interestingly, 29.9% said they are not sure, showing uncertainty among many investors. This diversity indicates mixed experiences across regions and property types. Factors like location, demand, and market condition may influence these opinions. The moderate return expectation aligns with real estate being a long-term, low-risk investment. Although not as fast-growing as

stocks, it provides stable returns. Overall, the chart shows that real estate offers consistent but moderate gains over time.

#### How effectively does residential real estate safeguard monetary value?

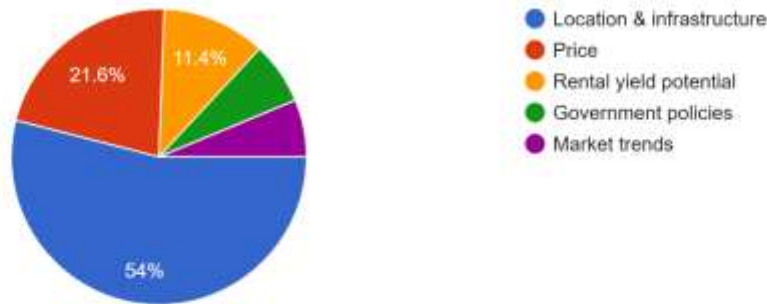
176 responses



The chart evaluates how effectively residential real estate safeguards money value. A significant portion, 38.6%, find it somewhat effective, and 30.1% rate it as very effective. Around 26.7% remain neutral, while only a small percentage find it not very effective or ineffective. This means most respondents see real estate as a reliable store of value. Property ownership protects investors from inflation and currency fluctuations. The tangible and appreciating nature of assets gives a sense of financial security. Those neutral might feel that market fluctuations can sometimes reduce short-term value. Yet, in the long run, real estate tends to retain worth better than other assets. The overall sentiment shows a belief in financial stability through property investment. Thus, real estate is perceived as an effective monetary safeguard by the majority.

## Which factor influences property investment the most?

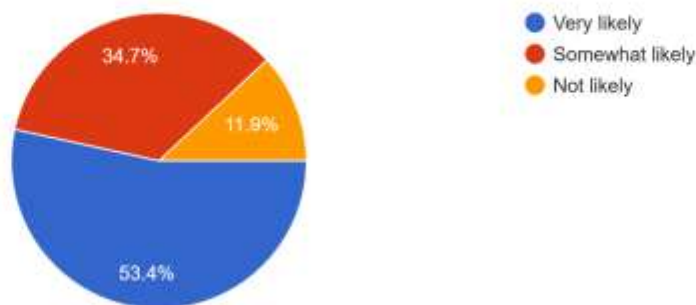
176 responses



The chart reveals which factor most influences property investment decisions. The dominant choice, 54%, is location and infrastructure, emphasizing their major role in investment value. Price follows 21.6%, showing cost considerations remain important. Around 11.4% point to rental yield potential, while smaller groups highlight government policies and market trends. This clearly shows that location outweighs all other factors in driving investment choices. A well-connected, developed area promises higher returns and appreciation. Price affects affordability but not as much as the long-term value that location offers. Rental potential and policies play supportive roles but aren't the top priorities. Investors understand that strategic location ensures better resale and income prospects. Overall, the chart confirms that location is the heart of property investment decisions.

## How likely are you to invest in residential real estate in future ?

176 responses

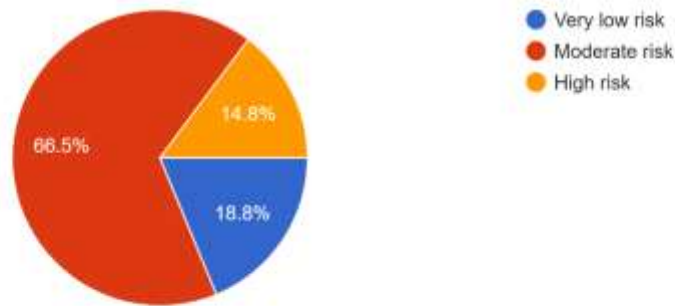


**Likely to Invest in Residential Real Estate:** This chart shows how likely people are to invest in residential real estate in the future. Out of 176 respondents, a majority of 53.4% said they are very likely to invest, indicating strong confidence in the real estate market. Around 34.7% of respondents are somewhat likely to invest, showing a moderate level of interest. Only 11.9% said they are not likely to invest, which is a small minority. This suggests that most people view residential real estate as a promising option for future investment. The results indicate growing faith in property as a safe and profitable asset. People may be influenced by factors like rising property

value, stability, and long-term returns. The dominance of positive responses highlights the strong demand potential in this sector. Overall, it reflects optimism among future investors.

#### How risky do you consider residential real estate investment?

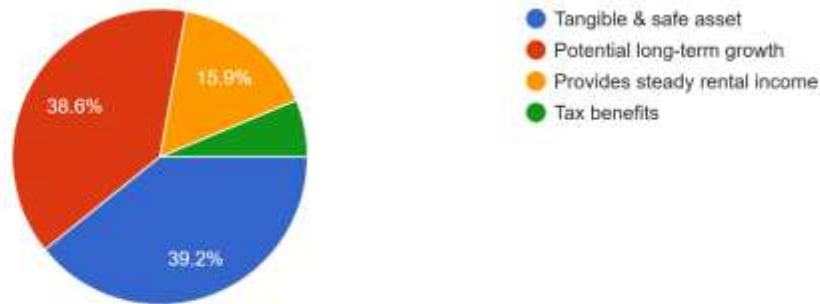
176 responses



**Risk Level in Residential Real Estate Investment:** This chart explains how people perceive the risk involved in residential real estate investment. Among 176 participants, 68.5% believe it carries moderate risk, meaning they recognize some uncertainty but not to a severe level. About 16.9% consider it very low risk, suggesting they trust real estate as a relatively secure investment. Meanwhile, 14.6% think it is high risk, possibly due to factors like market fluctuations or liquidity issues. The majority viewing it as moderate shows a balanced perception — neither overly risky nor completely safe. Investors seem aware of challenges but still view the sector as manageable. The moderate-risk view may reflect current market trends and property stability. It also shows that real estate is still preferred over more volatile assets. Overall, the sentiment is cautious but positive.

### What is the biggest advantage of residential real estate compared to other assets?

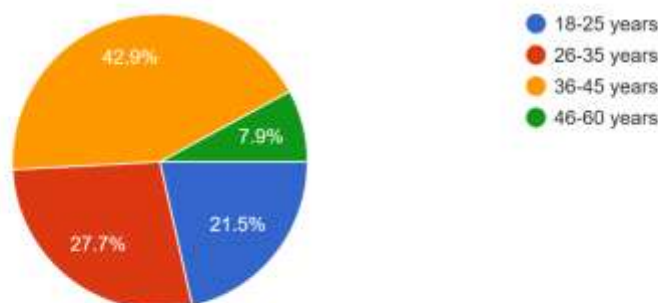
176 responses



**Biggest Advantage of Residential Real Estate Over Other Assets:** This pie chart identifies what people see as the main advantage of residential real estate compared to other investment options. Out of 176 responses, 38.6% chose potential long-term growth as the biggest advantage, showing belief in appreciation over time. A close 38.2% said it is a tangible and safe asset, valuing its physical and secure nature. 13.5% believe it provides steady rental income, highlighting its earning potential. Only 10.8% see tax benefits as the main advantage. These results indicate that people invest mainly for security and future value growth. The closeness between growth and safety suggests balanced motivation. Investors like real estate because it combines stability and profitability. Overall, real estate is seen as both a reliable and rewarding investment option.

### Which age group do think are more in this industry?

177 responses



**Age Group Most Active in the Real Estate Industry:** This chart shows which age group is most active in the residential real estate industry. Out of 177 respondents, 42.1% believe people aged 36–45 years dominate the sector. Around 27.7% think the 26–35 years group is most active, showing growing interest among young professionals. 21.5% chose the 18–25 years category, indicating that even younger individuals are becoming

aware of real estate opportunities. Only 7.9% believe 46–60 years are more involved. The data suggests that mid-career individuals (36–45) are the key players, likely due to financial stability and investment capacity. Younger groups show rising awareness but limited purchasing power. The results highlight how real estate appeals most to financially established adults. Overall, the industry is driven by experienced and economically capable investors.

## Conclusion

Residential real estate remains a resilient and attractive investment asset, offering a blend of income generation, capital appreciation, and portfolio diversification. Its tangible nature and essential utility provide a level of security that is often absent in more volatile financial instruments. However, successful investment in residential properties requires careful planning, market analysis, and an understanding of the associated risks and responsibilities.

As global economic conditions evolve and urban landscapes transform, residential real estate will continue to play a pivotal role in wealth creation. By adopting informed strategies and staying attuned to market trends, investors can harness the full potential of this asset class to achieve financial stability and long-term growth.

The research work on property investment as a residential real estate asset identifies the increasing significance of property investment in contemporary finance. Research results reveal that residential property remains an attractive source of investment because it has the potential to yield stable returns, ensure long-term appreciation in capital value, and provide security over volatile financial markets. The study also underlines that aspects like income level, perception of risk, preference for location, and knowledge of government programs strongly affect investment choices in this sector.

The research concludes that although real estate is a good investment choice, its appeal is determined by economic stability, movement in interest rates, and regulatory advances. For professionals, the research emphasizes higher market transparency and ethical conduct, whereas for investors, it emphasizes informed investment decisions and portfolio diversification. Overall, residential property is both a financial and physical asset that blends wealth formation with social and emotional worth. The study therefore adds to improved knowledge of how real estate operates not just as property ownership but also as an active investment asset in the overall economic system.

## Reference

1. **D’Lima & Schultz (2020)** – This study investigates the returns to individuals who invested in residential real estate between 1999 and 2015. It highlights that investors tend to outperform market indices, especially when they live near the property, avoid mortgages, and have prior experience.

2. **Kanoria & Muzaffar (2017)** – This McKinsey report explores real estate as an investment class, emphasizing its diversification benefits and the evolving trends in institutional investment, including nontraditional asset classes like student housing and healthcare facilities.
3. **Krulický & Horák (2018)** – This paper discusses the economic theory behind real estate investment, focusing on expected returns, liquidity, and risk. It provides a framework for evaluating investment decisions in residential real estate.
4. **Eichholtz et al. (2021)** – This research estimates total returns to rental housing using historical data from Paris and Amsterdam. It finds that rental yields are the primary source of returns and discusses the risk components of residential property investments.
5. **Kohlscheen, Mehrotra & Mihaljek (Bank for International Settlements)** – This research explores the macroeconomic impact of residential investment across 15 advanced economies. It finds that residential investment is highly volatile and sensitive to interest rate changes.
6. **Nguyen et al. (2021)** – A co-citation analysis identifying global trends in real estate research. It highlights key themes such as investment performance, house price dynamics, and urban development.
7. **Garrigay et al. (2022)** – This paper studies the economic effects of real estate investors in U.S. housing markets. It finds that small investors dominate post-recession growth and influence affordability and rental dynamics

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