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Abstract

Post pandemic, confidence building among real estate investors is of crucial importance. In this regard, high involvement purchases of residential real estate pose a critical challenge for all the stakeholders of the housing sector. Indians, especially those property buyers who are looking to purchase their second home are a potential target market when we contemplate upon the contemporary disruption in housing industry. First time home buyers in metropolitan cities are often the primary target segment for builders and developers. For reducing the dependence on the economy segment, stakeholders must explore the phenomenon of second home purchase. The factors and antecedents influencing consumer behavior is important to devise suitable marketing strategies.

Introduction

The Real estate is an important sector of Indian Economy. The present contribution of seven percent of GDP is forecasted to reach up to thirteen percent GDP of India by 2025. Real estate sector is further expected to touch the one trillion-dollar mark by 2030 according to IBEF 2021 reports. The demand of real estate is ever increasing for residential and living spaces. At the same time, real estate sector is providing huge job opportunities for the vast labor market and has long term impact on various other allied sectors. JLL 2021 reports state that real estate inquiries for second homes in India have increased up to thirty percent during the pandemic. This poses opportunities for the researchers and practitioners to indulge deeper in the dynamics of buying behavior in the second home purchasing.

Second homes are therefore deeply embedded in notions and understandings of circulation, home, mobilities, and multiple dwelling as well as their wider impacts, planning, and governance. Many implications housing studies research are centred around retirement live, general lifestyle, and amenities which can have long term impact on unusual migration. All these forces in long run can

have significant ramifications in terms of socioeconomic advantages for local communities (Müller and Hoogendoorn, 2013). The popularity of second-home phenomenon can lead to favorable economic impact in rural regions (Farstad and Rye, 2013). Furthermore, second home development is also important and desirable for agents who are in real estate along with stakeholders and allies (Alipour et al, 2017).

Theoretical Background

There are multiple views in the light of definition of a second home (Czarnecki & Frenkel, 2014). The term “second home” refers to a variety of words including “cabin,” “cottage,” “crib,” “holiday home,” “hut,” “leisure home,” “recreational home,” “summer home,” “summer house,” “vacation home,” and “weekend home” (Struyk & Angelici, 1996). In this paper and research work, second home has been limited to the residential structures for the usage of buyer of the property and associated people apart from the current residential property (Jeong et al., 2014 ;Marjavaara, 2008).

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Need for the study

The pandemic has resulted in online work, work from home which can be a substitute in different types of jobs. Furthermore, it can act as supplement for traditional way of working for increasing professionals. This lead to new scope and opportunities for second homes (Müller,2021). In addition, commercial nature of second homes and second-home tourism are not sufficiently addressed by various researchers (Casado-Díaz et al., 2020). Future research can further delve in to evaluate perceptions of buyers towards external and inherent features of real estate properties (Madushani et al, 2019).

Second home as a research concept was initially introduced in Nordic countries for leisure and recreation to support local economy (Khan et al., 2019). While it is evident that, people from developed nations focus on second home for spending leisure time, second homes is gaining popularity among the non resident member of many developing countries where the trend has been growing. As a common investment strategy, it is also luring people from many emerging economies (Ullah and Huque, 2021).

Thus, in this study authors aims to explore the motivations behind purchase of second home. The analysis and finding will provide insights about the second home buyers and their evaluation of living spaces in terms of quality of life.

Literature Review

Adair et al. (1996) stated that physical amenities of a property can play significant role in choosing home in a specific site. The influencing elements of the property such as design, aesthetics, build quality, area and size of the property are to be considered by the

researchers. Gabriel & Rosenthal (1989) opined that features of the home as well as the neighborhood quality both equally important which determine the choice of buying a residential property. Home buyers who are exploring new properties are trading off current job opportunities along with future valuation (Mittal & Singh, 2014).

Consumer behavior in real estate is different as buyers deal with their unique shelter related needs and they further associate that need with respect to safety, living quality, convenience, comfort and affordability (Karagöz et al., 2015).

The literature of motivations behind second home purchase is immensely useful for real estate firms who are catering to the needs of consumers with suitable promotional campaigns viz. living, elite community, privileges, reputation, status, etc. (Likos et al 2019).

Pettersson (1999) states that second home buying can be influenced by country of origin, usage, distance, location etc. Mirani & Farahani (2015) point out that second home tourism can help in sustainable development of rural areas. The wealthy urban residents can buy or build second homes in rural areas and help in the economic resurgence of remote areas. Traditional design, beautiful structure can be retained while focusing on real estate development. The pristine macroeconomic environment can also push the employment in rural areas through local residents.

Second home concept was initially associated with noncommercial activities, but it is now being extrapolated to commercial activities including housing and holidays (Bieger, Beritelli, & Weinert, 2007). Expanding reach of urbanization and aspiration for healthy

environment, suitable climate are major forces behind the second-home phenomenon across the globe (Olga, Seija and Kati, 2015). The quality of life can be an important indicator which can help explore the second home buying researchers in region-focused studies as well(Lórinicz, 2021).

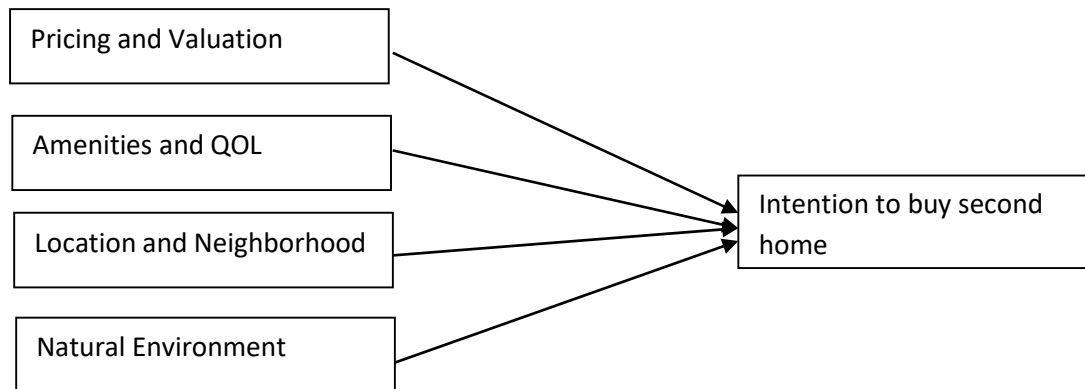
The Motivations for owning a second home can be complex and involves huge number of factors and forces. Major themes in this context are location of the home, planning process, housing context, social living and community living elements, environmental consciousness, and governance facilities (Hall, 2014). Moreover, pull effects are more prone to exert a positive impact upon the buyers of suburban properties which push effects can actually exert unfavorable

influence upon buyer’s intention (Ghazali et al, 2019).

Methods

This paper has deployed non random sampling technique to capture significant number of responses over a limited period of time (Hair et al., 2010). Questionnaire survey with the help of online survey tool was adopted and used for this paper. The survey questions were adopted based on 1 (strongly disagree) to 5 (strongly agree) of Likert scale. Use of online surveys is increasingly popular as it can consider the costs effectiveness of the campaign and ensuring immediate response from the target audience without interrupting or creating inconvenience (De Gregorio and Sung, 2010).

Conceptual Framework



Hypothesis 1 (H1). Perceived pricing and valuation positively affects intention to buy second home.

Hypothesis 2 (H2). Perceived amenities and quality of life positively affects intention to buy second home.

Hypothesis 3 (H3). Perceived location and neighborhood positively affects intention to buy second home.

Hypothesis 4 (H4). Perceived natural environment positively affects intention to buy second home.

Analysis and Results

We analyzed the intention to purchase second home by capturing the responses in terms of how they were interested in purchasing alternative property for full time or part time

residence. The parameters used in this study are : Pricing and Valuation, Amenities and Quality of Living, Location and Neighborhood; and Natural Environment.

Table 1: Respondents

Variable	Category	Percent
Gender_Male	179	88.61
Gender_Female	23	11.38
Age_Below 20	7	3.46
Age_20to25	28	13.86
Age_25to30	82	40.59
Age_30to35	15	7.42
Age_35to40	61	30.19
Age_Above40	9	4.45

To extract the factors, standardized process outlined by Hair et al., (2010) is adopted in this study. R-type extraction based upon the correlation within variables is base for the analysis. The Bartlett test of Sphericity is also

significant as each factor has permissible probability. The buyer intention for second home purchase was validated through partial least square based structural equations.

Table 2: PLS SEM Output: t-Value and Path Coefficient

Factors	T value	Path Coefficient	P value
PF	2.341	0.113**	Not significant
AQ	6.172	0.211***	Not significant
LN	11.724	0.701***	Significant
NE	3.682	0.315***	Not Significant

The partial least squares (PLS) technique was applied in this study. To obtain and assess the key reliability and validity indices and the direct and the moderating effects, Partial Least Squares (PLS) was employed, using the SmartPLS 3 software (Ringle et al., 2005). According to Sarstedt et al. (2014), “PLS-SEM is mainly designed to detect whether the causal relationship has a statistically significant mutual linear relationship. It is

rather suitable for the construction of theoretical models. This study uses PLS-SEM as a method to explore the relationship between the research variables. It mainly uses PLS Algorithm and Bootstrapping to perform the repetitive sampling 5000 times in order to derive path coefficients and significance”.

Conclusions and Discussions

This study is focused to understand the factors which affects the intention of second-

home buyers. The findings have given strong inclination that second-home buyer look to purchase properties which are more aligned with the neighborhood and social dimensions. The implications of this paper is significant at both theoretical and practical levels. The findings of this paper gives suggestions to agents and stakeholders that marketing of location based attractions and housing destinations can be given priority.

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