

Impact of Real Estate on Socio-Economic Status of Peri-urban Area in Mysuru Taluk

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Abstract: The study was conducted in Peri-urban areas of Mysore city. The real estate expanding horizontally over the peripheral areas to include lands that were previously under the rural village. With the real estate expansion, the land use pattern was also changed from agricultural land use to industrial and urban residential purposes. Therefore, the study concentrates on an implication of rapid expansion of the real estate and respective land-use changes for farming communities who earn their livelihood from farmland. The study covers people located at the periphery of the town who previously lost their farmland due to the real estate and continue to earn their livelihood directly and indirectly from agriculture. It is observed that the rapid growth of real estate has impact on the other assets in connection with the reduction of land size. This includes livestock, tree plants, and others that enhance farmers to carry out agricultural activities. Finding from the survey results indicated that most evicted families have decreased the number of livestock due to a decrease in the size of farmlands and grassland. Tree plants, the other farmers' assets have also been affected after displacement.

Keywords: Real estate, Peri-urban

INTRODUCTION

Real estate plays an important role and is an essential contributor to Indian economic development. This sector is the second largest employer in the country after agriculture and contribute about 6.5% to 7% . It is one of the major sources of the job for an unorganized sector of the Indian labor market. Real estate was one of the main beneficiaries of the post-liberalization periods, where India become one of the hot properties of foreign direct investment, a lot of new ventures open day by day, and salaries of the Indian middle-class increase exponentially. Since the 1990s it shows major growth, and Indian metro cities, like Chennai Mumbai Delhi Kolkata feels the boom in the realty sector. (Amit Kumar Sinha & *et al.* 2020).

Over the next decade, the real estate sector is expected to increase by 30 percent. It is one of the fastest developing sectors of the Indian economy. Real estate has a large association with various other sectors and more than 250 allied industries. It has larger spending multiplier effects on the rest of the economy. This sector is dominated by local players. National level players are emerging rapidly, and local reputation is still most important to success. Real estate is unregulated on dimensions of quality, terms of delivery, the information provided to potential buyers, etc. On other dimensions such as land use, building norms there is more dysfunctional regulation. With high growth and the emergence of larger players, there is a need for manpower formally trained for the sector. (Morris, S. 2010)

The Indian real estate market is expected to reach US\$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP. Real Estate stock in India was expected to touch 3.7 million square feet (MSF) in 2019, with the addition of 200 MSF during the year. The emergence of nuclear families, rapid urbanization, and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial, and retail. Rapid urbanization in the country is pushing the growth of real estate. (Source: KPMG, Report on Real Estate Sector in India - Corporate Catalyst India Pvt Ltd, CBRE, National Housing Bank)

The development of the real estate market contributes to the development of the national economy, thus creating a favorable investment climate for investors. An increase in the level of the incomes of the inhabitants may increase the availability of housing in the country by fiscal and monetary policy instruments (.Binovska,I & et al 2018). Government of India should continue to support this industry by initiating policy measures that will continue to attract investments in this sector and offer housing for all by promoting inclusive growth.

OBJECTIVES OF THE STUDY

- To study the impact of real estate on the Socio-Economic Status of Farmers in the study area

HYPOTHESIS

- There is a directive relationship between education level and the use of selling income for productive purposes

METHODOLOGY

The study was based on primary data.. Primarily data were collected through the combination of personal observation and questionnaires. The

study population includes agriculture-based households displaced from their farmlands. It concentrated on rural villages where the major impact of real estate was taken. Hence, a sample of 40 household's heads was randomly selected for the study. The Sampled households were selected from the major impact of real estate areas namely Belavadi, Elawala, Koorgalli, Beerihundi, Maratikyanahalli, etc. Primarily data collected from the sampled household was processed and analyzed by using the Statistical Package for Social Scientists (SPSS). Finally, survey data were interpreted by using descriptive statistics such as frequency distribution and cross-tabulation. Chi-Square test of independence has been used to test the above hypothesis.

PRIMARY DATA ANALYSIS

Table 1: Demographic Characteristics of Sample Household

<i>Respondent</i>		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Sex	Female	10	25.0	25.0	25.0
	Male	30	75.0	75.0	100.0
	Total	40	100.0	100.0	
Age	31-40	6	15.0	15.0	15.0
	41-50	10	25.0	25.0	40.0
	51-60	14	35.0	35.0	75.0
	60+	10	25.0	25.0	100.0
	Total	40	100.0	100.0	
Marital status	Married	31	77.5	77.5	77.5
	Single	8	20.0	20.0	97.5
	Widowed	1	2.5	2.5	100.0
	Total	40	100.0	100.0	
Education	Illiterate	15	37.5	37.5	37.5
	primary(1-8)	3	7.5	7.5	45.0
	read and write	7	17.5	17.5	62.5
	secondary(9-12)	7	17.5	17.5	80.0
	tertiary(13+)	8	20.0	20.0	100.0
	Total	40	100.0	100.0	
Religion	Christian	3	7.5	7.5	7.5
	Hindu	36	90.0	90.0	97.5
	Muslim	1	2.5	2.5	100.0
	Total	40	100.0	100.0	
Family size	2-4	20	50.0	50.0	50.0
	5-7	14	35.0	35.0	85.0
	8-10	6	15.0	15.0	100.0
	Total	40	100.0	100.0	

Source: survey data

Table 1 shows the demographic characteristics of 40 sample households selected for the study. Most of them are between the ages of 51 to 60 with an average family size of 5 to 7. Regarding the sex of the sample household, 30 males and 10 females were included in the study. Low literacy rate with 37.5 percent of sample households was illiterate. Most of the respondent's religion with 90 percent of the sample household was Hindu.

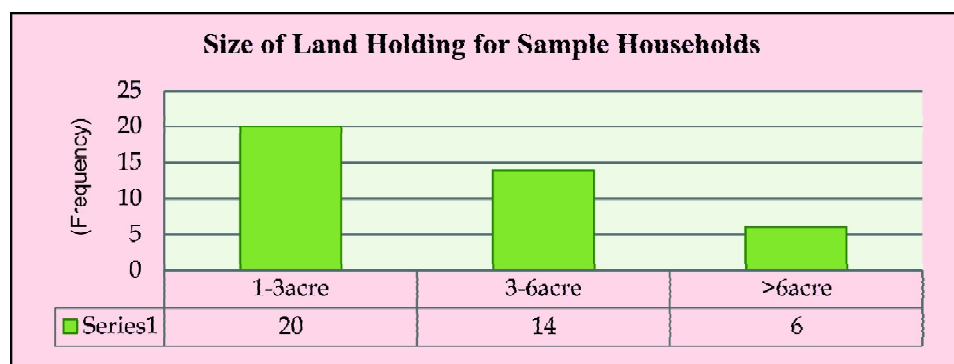
SOCIO-ECONOMIC PROFILE OF STUDY POPULATION

High illiteracy rate, poor water facilities, and a high percentage of subsistence farmers are characteristics of the peri-urban area. Moreover, food insecurity is another feature that characterizes peri-urban areas which derive from the pressure of agricultural land fragmentation for urban land uses.

Table 2: Size of Land Holding for Sample Households

Farm size (in acre)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	20	50.0	50.0	50.0
	3-6	14	35.0	35.0	85.0
	>6	6	15.0	15.0	100.0
Total		40	100.0	100.0	

Source: survey data



As shown in table 2, 50 percent of the sample household possess and operated on agricultural land size less than 3 acres and only 15 percent of them hold land size above 6 & above. This indicates that the average landholding of sample households is the lowest to sustain their 14 livelihoods from agriculture. As landholding declines, per capita food production and farm income also decline, indicating that extremely small-sized farms cannot be made productive even with improved technology.

This has in turn has a negative implication to attain food security in the area. On the other hand, some of them are also involved in producing vegetables on small plots at their residential compound. In addition, production and productivity with available land are also very low in the area. Farmers in the area are producing subsistence crops such as Ragi, maize, paddy, etc for their consumption rather than supplying for markets.

Table 3: Crop Production of Sample Household

Production in quintals		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-14	19	47.5	47.50	47.50
	14-20	10	25.0	25.0	72.50
	20-26	6	15.0	15.0	87.50
	26-32	4	10.0	10.0	97.50
	32 & above	1	2.5	2.5	100.0
Total		40	100.0	100.0	

Source: Survey data

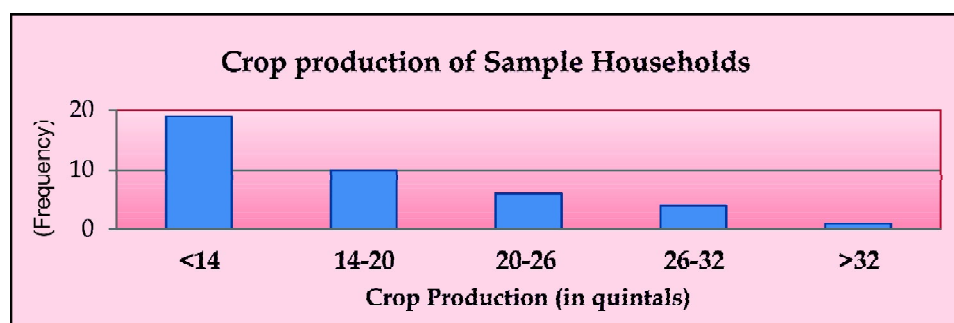


Table 3 shows the total production of crops for sample households. It indicates that majority of household earns an average production between 2 and 14 quintals per year from their agricultural plots and this account 47.5 percent. Those households who earn between 14 and 20 take a share of 25 percent. However, those farmers who earn 20 and above quintal per year are insignificant as indicated in table 4.3. Therefore, low crop production characterizes the sample household mainly due to land scarcity in the area.

VEGETABLE PRODUCTION

Vegetable production is widely practiced among Peri-urban farmers to complement their agricultural income. Due to their proximity to urban centers and the marketplace, vegetable production has an important livelihood strategy. It has a more positive impact on the livelihood of the

poor relative to other crops. The type of vegetables that have been widely produced by farmers in peri-urban areas of Mysore city includes tomato, cabbage, beans, other traditional vegetables consumed by local peoples. However, in the study area, there is a lack of awareness among the local people on the role of vegetable production in enhancing their livelihood. Vegetable productions are widely practiced by farmers who are located nearer to the town and possessed lower agricultural land.

Table 4: Yearly Income Earned From Vegetable Growing for Sample Households

Income (in Rs)	Frequency	Percent
10000-50000	8	66.6
50000-100000	3	25.0
>100000	1	8.4
Total	12	100.0

Source: Survey data

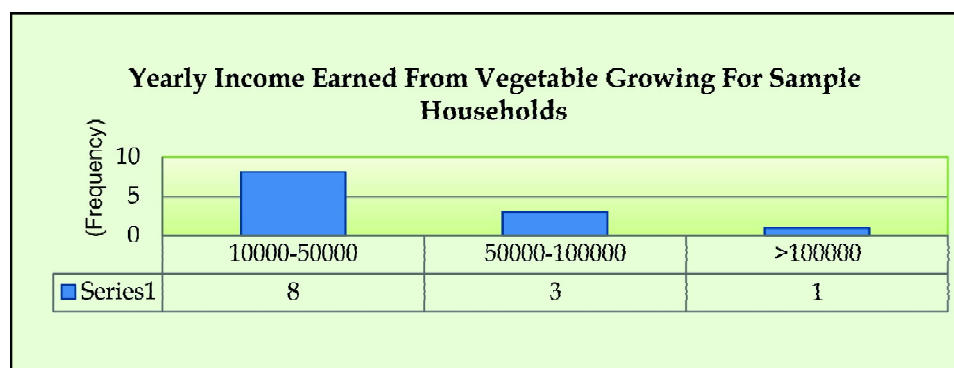


Table 4 shows that from the total sample households, only 12 farmers have been grown vegetable to complement their income. The greater share of households who are growing vegetables earn low income from vegetable growing where 66.6 percent of them earn income between 10,000 to 50,000 rupees per year. This indicates that there is a lack of awareness among the community on the role of vegetable production in sustaining their livelihood.

LIVE STOCK PRODUCTION

Livestock productions that are commonly practiced by local farmers include Cows, Oxen, Sheep, Goats, etc. Farmers in the area commonly use their livestock for farming. Those who are located near to the town earn income from milk and milk products. Farmers located far away from the Centre have not got these opportunities. Therefore, the agricultural income of the

study population is low although it is the main livelihood for most of the farmers in the area. Low income from agriculture production is mainly driven by the reduction of the farmland which in turn aggravated by real estate over the farmland. Here, agricultural income in this study refers to income obtained from crop production and livestock.

IMPACT OF THE REAL ESTATE ON PERI-URBAN AREAS

Agricultural Land Scarcity

Agricultural lands in the periphery of cities serve as transition zones from natural and rural habitats to the urban landscape. It serves as a supplier of vital ecosystem services such as food, clean air, soil, and water to the urban areas, and as a buffer zones to diminish the negative effects of the real estate systems on the natural environment. The ever-increasing demands of peri-urban land, brought by rapid urbanization have led to the gradual squeezing out of farming as a means of livelihood to peri-urban communities. This intense pressure decreases available agricultural land in the area which has a negative implication in enhancing food security.

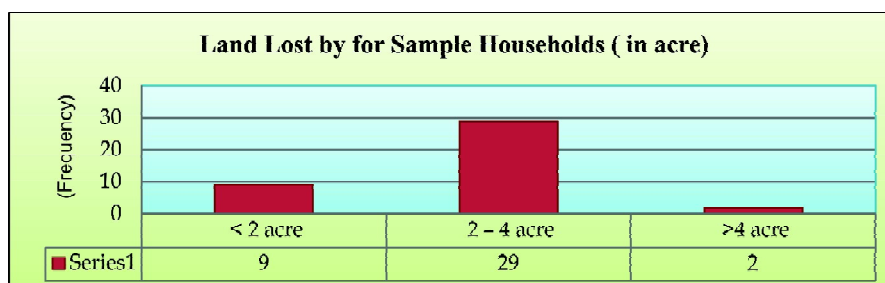
During the last few years, agricultural lands in a peri-urban area of Mysore city were widely converted to urban land uses such as residential, industrial, and commercial agricultural activities. real estate has become huge potential for attracting investment activities. Moreover, inward migration of people from other areas and permanent and temporary residence is also the reason for the impact of real estate. Towards rural village and encroachment of agricultural land. Hence, large tracts of agricultural lands of peasant households have been converted to urban land uses.

As a result, large numbers of the farmers living on the edge of the real estate were lost their farmland and became landless with an appropriation of low cash compensation. During the survey, it was possible to observe farmers who lost few to those who dispossessed their agriculture lands and shift agriculture as their main livelihood to other income-earning activities.

Table 5: Land Lost by Sample Households (In acre)

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	< 2	9	22.5	22.5	22.5
	2 - 4	29	72.5	72.5	95.0
	>4	2	5.0	5.0	100.0
	Total	40	100.0	100.0	

Source: survey data



As shown in the above table, from the total sample household displaced, 22.5 percent of them lost land size below 0.5 hectares while 72.5, and 5.0 percent of sample households lost land size between 2-4, and >4 acres respectively. As clearly shown in table 4.6 most of them lost land size between 2 and 4 acres. From the total land expropriated, agricultural lands used for crop and vegetable production in which most of the farmers depend their livelihood take a larger share. The table shown below indicated the types of land lost.

Table 6: Types of Land Lost In Sample Households

Types of land	Valid		Casesmissing		Total	
	N	Percent	N	Percent	N	Percent
Cropland	32	80.0%	8	20.0%	40	100.0%
Grassland	12	30.0%	28	70.0%	40	100.0%
Other	6	15.0%	34	15.0%	40	100.0%

Source: survey data

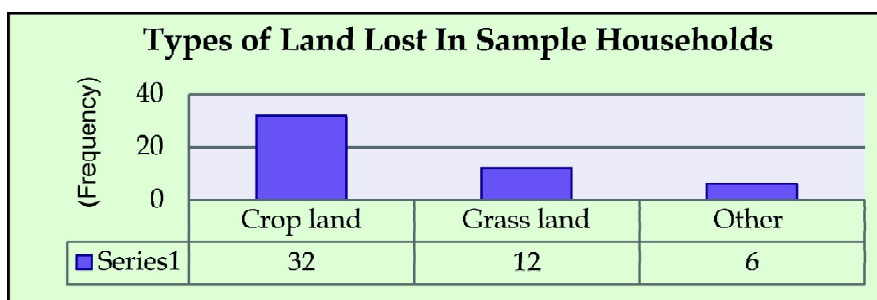


Table 6 shows the number of sample households by the type of land lost. Of total household 80, 30 and 15 percent they lost crop, grass, and residential land respectively. A high percentage of households (80%) lost cropland for which they highly depend on their livelihood and which in turn has a negative impact on agricultural production to attain food security in the area.

Table 7: Yearly Agricultural Income Lost

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	<25000	18	45.0	45.0	45.0
	25000-50000	11	27.5	27.5	72.5
	50000-75000	7	17.5	17.5	89.5
	>75000	4	10.0	10.0	100.0
Total		40	2.5	2.5	

Source: survey data

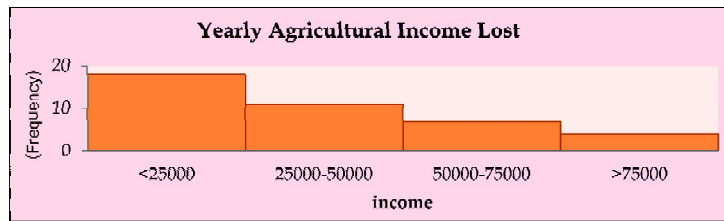


Table 7 shows Agricultural income lost in this study refers to income obtained from land lost due to real estate over the cropland. This includes income obtained from crop production, vegetable, and grassland. To get this information, a retrospective data collection method was used where respondents were asked to provide present in the formation and remember their previous income from their land lost in current price. As shown in the above table, a larger share of the sampled household (45%) lost yearly income between < 25000 rupees with displacement from their land.

COMPLETE LAND LOST TO REAL ESTATE

Table 8: Complete Land Lost to Real Estate

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	No	22	55.0	55.0	55.0
	Yes	18	45.0	45.0	100.0
Total		40	100.0	100.0	

Source: survey data

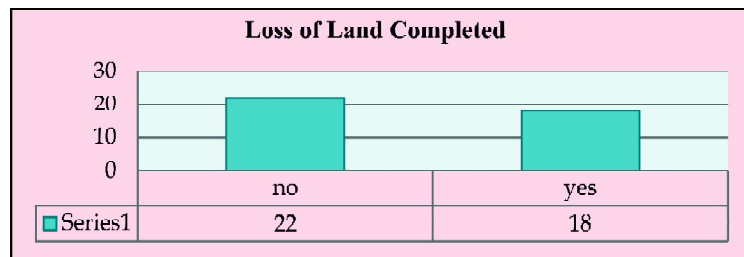


Table 8 shows the impact of real estate on 18 sample households are loss of land completed in 55 percent and these households are displaced from agriculture to other occupation and minimum percent (45%) of the sample households are small farmers. Therefore, agriculture production also decreases due to real estate

Table 9: Income from Land Utilized for Productive and Unproductive purposes

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Productive purposes	16	40.0	40.0	40.0
	unproductive purposes	24	60.0	60.0	100.0
	Total	40	100.0	100.0	

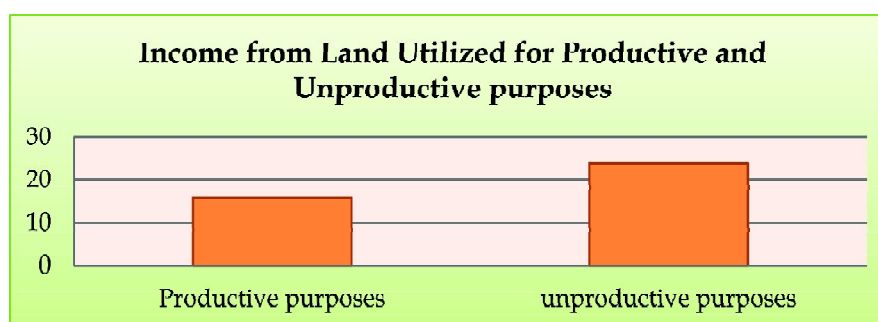


Table 9 shows that Income from Land Utilized Productive and Unproductive purposes. It indicates that the maximum percent (60%) of the sample households are income from selling land used for unproductive purposes. The minimum percent (40%) of the sample households are income from selling land used for productive purposes.

Table 10: Present Source of Income of the Sample Households

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
valid	Daily wager	8	44.4	44.4	44.4
	construction worker	4	22.2	22.2	66.6
	Labour	3	16.7	16.7	83.3
	Fruit merchant	2	11.1	11.1	94.4
	Painter	1	5.6	5.6	100.0
Total		18	100.0	100.0	

Source: survey data

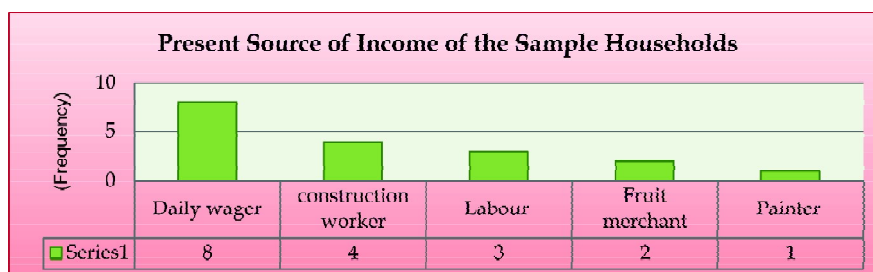


Table 4.9 shows that complete land lost to Real Estate on sample households are displaced agriculture from another source of income. It indicates a maximum of 18 sample households is displaced agriculture to daily wager. Construction worker, labor, fruit merchant, painter of them 44.4, 22.2, 16.7, 11.1, 5.6 percent respectively. The maximum percent (44.4%) sample household displaced agriculture to daily wager.

Table 11: Purposes of Agricultural Land Displaced

		Frequency	Percent	Valid Percent	Cumulative Percent
valid	Residential	21	52.5	52.5	52.5
	Industrial	9	22.5	22.5	75.0
	Commercial agriculture	6	15.0	15.0	90.0
	other	4	10.0	10.0	100.0
Total		40	100.0	100.0	

Source: survey data

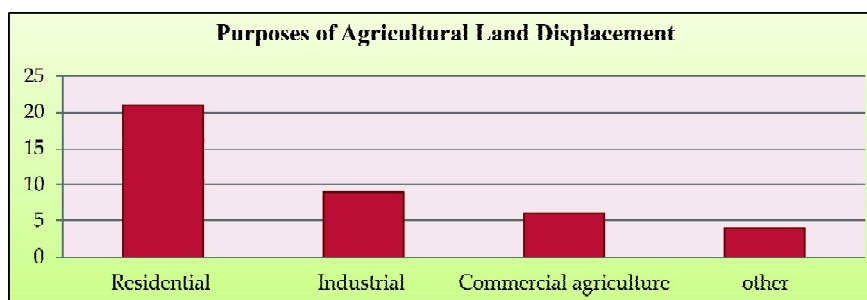


Table 11 shows agriculture From the total land displaced, residential, industrial, commercial, and other. Agriculture land displaced to Residential. Residential is the highest percent of 52.5. Residential land is the land farmers hold for residence which comprises houses, trees, and various types of farmer assets. other of From total household 22.5, 15 and 10 percent of them displaced industrial, commercial agriculture and other respectively As

clearly shown in table 4.10 most of the agriculture land displaced Residential.

LOSS OF OTHER ASSETS

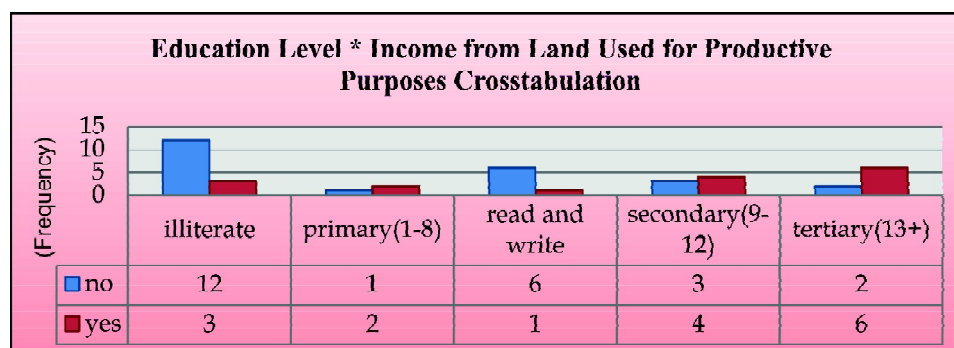
Other assets in this study include livestock such as Oxen, Cows, Sheep, Goats, Donkeys, Horses, poultry production, etc which have a great role for farmers to construct their livelihood. On the other hand, assets such as trees, houses, and various materials which provide farmers for carrying out traditional agricultural activities are lost due to agricultural land fragmentation.

As some of the sampled farmers explained during an interview, previous assets which have a direct relationship with the size of landholding were decreased. For instance, the number of livestock was declined due to a shortage of grassland. Particularly, the size of agricultural oxen was a decline due to the decline of farmlands. Moreover, those farmers who lost their residential land lost their trees, houses, and other property on the land.

Table 12: Education Level * Income from Land Used for Productive Purposes Cross Tabulation

		<i>Income from Land Used for productive purposes</i>		<i>Total</i>
		<i>No</i>	<i>Yes</i>	
EducationLevel	illiterate	12	3	15
	primary(1-8)	1	2	3
	read and write	6	1	7
	secondary(9-12)	3	4	7
	tertiary(13+)	2	6	8
Total		24	16	40

Source: survey data



The above table shows that the education level and Income from land used for productive purposes are directive/positive relationship. It indicates that education level increases, as well as Income from land, utilized productive purposes also increase. As clearly shown the table 4.11 illiterate peoples are Income from land utilized for unproductive purposes. Tertiary(13+) education people are income from land utilized productive purposes.

CHI-SQUARE TEST

H_0 : There is no relationship between Education level and selling land income used for productive purposes

H_a : There is a relationship between Education level and selling land income used for productive purposes

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.258 ^a	4	.036
Likelihood Ratio	10.710	4	.030
N of Valid Cases	40		

The estimated value of Pearson statistic 10.258 is statistically significant at a 5% level of significance. Therefore the null hypothesis was rejected and the alternative hypothesis accepted. Hence, it can be concluded that there is a significant association between education and productive purposes.

CONCLUSION

This research was undertaken in the Mysore Peri-urban area where large number of farmers were displaced in previous years due to the rapid growth of real estate. The town was expanding in all directions over the surrounding rural villages and vacant areas that were previously covered by forest and green land. Hence, the rapid growth of real estate further exacerbates marginalize farming community who depend on their livelihood on agriculture. To assess the impact of the rapid growth of real estate on Mysore city and its to assess an impact of the rapid growth of real estate and its implication for the livelihood of farmer's communities living on the edge of the Mysore city, a sample of 18 displaced household from the rapid growth of real estate areas were taken.

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