

## MARKET POTENTIAL OF TRENDING CO-LIVING SPACES IN BENGALURU CITY

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### **Abstract:**

*The present research paper explores the possibilities of adoption of co-living spaces among millennials. The core aim of the study is to identify the key determinants which orient the millennials towards buying a room in Co- Living spaces. The Study has examined benefits of converting a rental housing facility into a Co- Living. The present study has adopted descriptive research design. By employing purposive sampling technique, a sample of 100 respondents has been selected for the study. The study found that co- living spaces are growing rapidly in metro cities due to escalating employment and educational opportunities. The study also found that the millennials are considering co- living as an option for their stay as it is cost effective and provides added benefits apart from accommodation.*

**Keywords:** millennials, co-living space, rented house, accommodation, amenities.

### **Introduction**

Out of total population in India about 440 million consists of millennials that creates a massive demand for appropriate accommodation for the working class. “Workforce in India is likely to increase to 600 million by 2022, compared to 473 million in 2018” (Economic Times, 2019). As per the study conducted by “Singapore-based financial analysis” the key

metropolitan cities like Bengaluru, Mumbai and Delhi has been reported as millennial-friendly cities in Asia Pacific region. (CNBCTV,2019). In the present situation, collaborative consumption has gained lot of attention among the millennials and students. Right from basic transportation services to work spaces, collaborative consumption has already redefined the way of life of the present generation. Further, the Globalised workforce particularly, the present youth population have not set their life goals as owning a home as a property, multiplication of asset and so on. Especially in the real estate sector, 'sharing' has become the catchphrase. Unlike earlier generations, for whom owning a home was a major life goal, for the present generation accessibility to experiences and a sense of community are more important than ownership of property (Chhajer, 2019). Moreover, the "nomadic millennials" emphasises on 'experiences' rather than 'ownership' and hence the demand for co-living spaces is skyrocketing. Further, the new generations' intolerance towards poor service, increasing population, unprecedented rise in the demand for compact and affordable houses attracts the co-living developments in the present scenario (Green, 2017). The emerging concept of Co-Living spaces which is fast catching up, offers all the required amenities which a single person aspires for. The concept emerges from the fact when a single working person spends hardly couple of hours in the kitchen and living area and spend around 9 hours a day in bedroom bearing high rental cost for mere accommodation. The millennials feel that it is practical to share the spaces which are barely used by them and can be used by multiple people so as to share the rentals, utilities and maintenance bills. Hence by considering the potential opportunities associated with co-living, the present research work is an effort to explore the market scope of co-living space in Bengaluru region.

**Problem statement:**

The present residential rental landscape in urban India is inefficient, unorganized, and meaninglessly priced where many single and married millennial tenants face discrimination issues (Yourown room,2019). Growing population, high rental cost, improper housing typologies, escalating housing rentals, high maintenance cost in service apartments are posing lot of threat to the present generation to get a sustainable accommodation. Moreover, the rentals culture in metropolitan cities creates 'loneliness and secluded feeling' among millennials. A failure to provide quality accommodation may force people to choose accommodation where they have to compromise on location, amenities, and expenditure. Apart from this, the millennials who live as a tenant face other issues such as regional bias, lack of trust, poor access to quality amenities, lack of security, privacy, huge deposits and

poor community culture. At this backdrop, it is necessary to explore the scope of co-living space against rental living housing option. Hence, by considering the glitches associated with rental housing facility, the present study is an effort to explore the possibilities of adoption of co-living spaces among millennials.

### **Review of Literature**

This part presents the literature work done by the various researchers and the outcome of the various research work in the area of study. Though, the number of available literature in the identified topic of research is very limited, an effort has been made to summarize the important issues that has been reported in Journals and News articles.

According to the study conducted by Knight Frank India Research (2018) co-living space culture is spurring due to unorganized home rental market in India. Social lifestyle of millennials is one of the major factor in boosting co-living concept across cities like Pune, Bangalore, NCR, Chennai and Hyderabad. Millennials migration to metropolitan cities for education and job opportunities is on rise and co-living spaces is preferred due to factors like high rentals, limited amenities, huge sum of deposits and privacy issues in traditional rental housing facility.

Chan, J. K. H., & Zhang, Y. (2018) in their study attempted to explore how the spatial proximity and activities can influence sharing activities and behaviour. The study explicitly examined how spatial dimensions of sharing spaces is different in urban configuration. The authors have concluded the study by stressing the importance of spatial discourse on sharing.

(Social Market, 2019) provided a solution to the housing crisis in UK by exploring the potential benefits of co-living spaces. It was stated in the study that co-living spaces offers opportunity for growing new friendships, conversations, socialization among the millennials. On the other side, the study has stated affordability as a major problem that can be supported by financial institutions.

(Patel, 2019) examined co-living spaces master plan, design and regeneration in London. The author has assessed the influence of working pattern, technology, family structure, lifestyle on shifting co-living preferences. Further the author explores the ways in which modern homes in cities impact the quality of social interaction on human wellbeing.

(Thomsen, 2018) has highlighted the significance of co-living space in building a sustainable environment. The study has stressed on the benefits of sharing resources and amenities of co-living space as reduce space per capita, energy use, and waste production.

Karadima & Bofylatos (2019) reviewed the literature in the context of collaborative services. The main objective of the review was to investigate how the collaborative services is providing some meaningful interventions for people dwelling in perilous living conditions. The authors have pointed out the political, social and psychological factors triggering the individuals to opt for collaborative services and further, the unwarranted living condition pave the way for preferring co-living spaces.

(Drobnis, 2018) examined the challenges faced by the real estate entrepreneurs in handling creative projects. The main crux of the study was to understand the difficulties involved in developing and designing co-living projects. For the purpose of the study, the author has derived the required information from site visits and interview techniques with the stakeholders of real estate businesses. It was found from the study that the key variables viz; Market Demand, Vision, Adoption, External Forces and X-Factors decides the viability of co-living spaces.

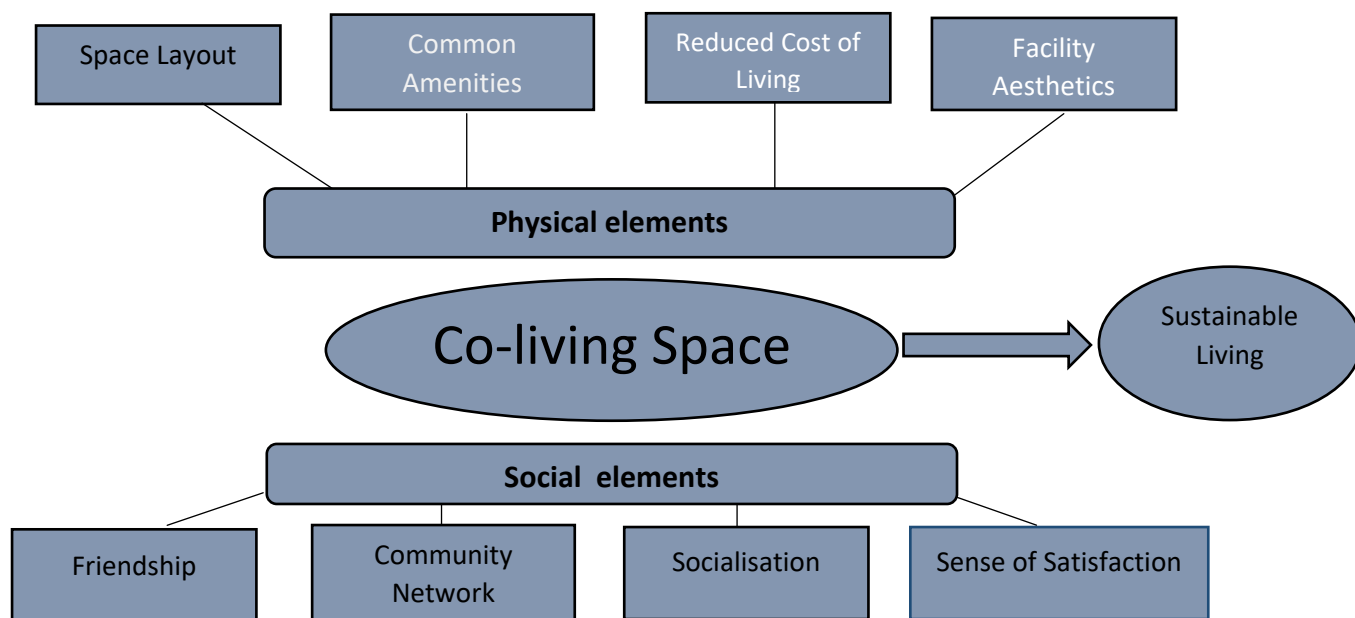
(The Indian Express, 2019) stated that growing number of working professionals in the Bengaluru city has paved way for the concept of co-living and neo-community. It was further stated that co-living concept provides a feeling of shared community experience by helping the millennials to grow their network with like-minded people making them enhance their social quotient.

(Gursel Dino, 2019) Studied the transition of nuclear family residential units to co-living spaces in Turkey. The author focussed on the understanding of social, economic and spatial dimensions of co-living spaces contributing to sustainable development. The study found “economic advantage” as a main determinant for selection of co-living spaces. Spatial design dimension investigated in the study provides the underpinning for future research on co-living space design.

(FICCI, 2019) investigated about the triggering factors that drive the millennials to shift from unorganized rental housing option to co-living spaces in Delhi, Chennai, Bangalore, NCR, Hyderabad, Kolkata, Pune and Mumbai. Among 1000 millennials that participated in the study, it was found that rental cost consideration, proximity to workplace and uncertainty of

working at one place for migrated millennials were major factors in paradigm shift to co-living housing option available in metropolitan cities.

### Conceptual framework



Relating to the physical element aspects such as space layout, common amenities, reduced cost of living and aesthetics holds utmost importance in selecting a collaborative accommodation. Likewise, friendship, community network, socialisation and sense of satisfaction contributes majorly to social aspects of co-living space.

### Research Questions

1. What is the present living conditions of the working professionals?
2. What are the benefits of converting a rental housing facility into a Co- Living space?
3. What are the key determinants which orient the customers towards buying a room in Co- Living spaces?

### Objectives

1. To profile the dwelling pattern of millennials in Bangalore.
2. To identify the amenities preferred by the millennials for rental accommodation.
3. To find out the factors which attract millennial to consider co living spaces

## **RESEARCH METHODOLOGY**

In order to achieve the objectives and to answer the research questions, a systematic methodology has been followed for the proposed study:

By identifying the major accommodation problem faced by the millennials, the study has made an attempt to find the best possible ways to understand how similar issues was addressed by various researchers on the same topic. After reviewing the literature, the objectives were defined. Then questionnaires were framed according to the objectives. Data collection has been carried out through the digital platform. Data analysis was done through the IBM's SPSS data analysis tool. Finally, the findings and discussion were made upon the same.

## **RESEARCH DESIGN**

Descriptive research design has been adopted for the study. As the study attempts to explore the various parameters like dwelling pattern of millennials, amenities preferred by millennials, factors which attract millennial to consider co living spaces and adoption of co-living spaces among millennials the descriptive research design is found to be more appropriate.

## **SAMPLING TECHNIQUE:**

Purposive sampling technique was used to collect a sample of 100 respondents from Bengaluru region.

## **SOURCES OF DATA COLLECTION**

**PRIMARY DATA:** The study is mainly based on primary data. The required primary data has been collected through survey method. The primary information pertaining to objectives of the study has been collected from migrated working professionals and college students in Bangalore region. Structured questionnaire has been used to collect the data from the target respondents. The researchers have taken free will consent from participants while obtaining data.

## **REFERENCE PERIOD OF THE DATA TO BE COVERED**

- **Time Scope:** The proposed study was conducted for a period of 3 months to effectively gather the information that successfully meets the study objectives. The data collection has been carried for a period of 2 months.

## RESULTS AND DISCUSSION

The study reveals that Bangalore being considered as ‘Silicon Valley of India’ have huge market potential for co-living space as majority of the migrated millennials to Bengaluru are aware about co-living housing facilities and consider it as an emerging trend in metropolitan cities. Further, the study proved that majority of the millennials are bachelors rather than spinsters which is not corroborating with the statement published in “Economic Times” where it was stated prefer co-living space round the clock security and biometric access control and accessible locations (Economic Times,2019). When it comes to the present living expectations of the millennials, majority of them are not contented with their present housing condition and they are looking for better housing conditions as present generation are highly intolerant towards poor service, increasing population, unprecedented rise in the demand for compact and affordable (Green, 2017). On considering the amenities preferred by millennials, the analysis of the data revealed that majority of them are looking for hassle free living as they want to concentrate on their work and further opined that in the present place of stay, the millennials are not getting the opportunity to socialize with others and felt that co-living space encourages social networking. This clearly depicts that majority of the respondents are planning to stay in co living space where the results can be validated with the results of Corfe (2019) which depicts that there exists a potential demand for co-living space. In terms of the perceived advantages of co-living, the most commonly mentioned advantage amongst the millennials includes Interaction and Hangout zone, Vehicle Parking, Kitchen and Dining area swimming pool and Gym as their most preferred amenities. Evidently, these findings are corroborated by the findings of (Corfe,2019).

When it comes to the extent of adoption of co-living space it is very evident that the present day youngsters demand for co-living space as it is very affordable and also provide convenient access to services which they may not be able to afford in their rented living space.

In addition to that, the co-living platform provides a social benefit to the millennials by reducing their pervasive problem of being alone in the modern city. The framework of key determinants that influences the millennials to buy a co-living space includes “Hassel free atmosphere” as a major determinant followed by “affordable facilities”, “building a strong Community” and “Proximity to the work Place”. Similarly, the findings of the study are in sync with Davies (2015).

## CONCLUSION

The results of the present study have confirmed the paradigm shift in the lifestyle of the millennial supporting the trending co-living housing model. This trend in housing is changing the millennials attitude towards owning a property for living. Further, the rising millennial workforce and growing number of migrated millennials for higher studies propels the growth of this “asset light model”. Undoubtedly, the co-living model of housing have a potential to solve myriad of problems associated in the rental market of contemporary society cope with the rising demand for sustainable housing in metropolitan cities, and also encourages socialisation in the modern digital era. With the changing attitude of millennials, coupled with disruptive innovation in the real estate market and Government support, the co-living industry is trending and is ready for take-off to become a main stream.

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