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Determinants of Homebuyer Decision-Making in Government-Sponsored Affordable Housing: A Study of Deen Dayal Awas Yojana Beneficiaries

Dr. Vivek Kumar

Assistant Professor, University School of Management Kurukshetra University, Kurukshetra, Haryana, India.

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Purpose

Affordable housing has emerged as a critical policy instrument to address urban housing shortages in rapidly urbanizing regions of India. Despite the increasing implementation of government-sponsored housing schemes, limited empirical research has examined the factors influencing homebuyer decision-making in such policy-driven housing markets. This study aims to identify and analyse the key determinants influencing home purchase decisions of beneficiaries under the Deen Dayal Awas Yojana (DDAY) in Haryana.

Design/Methodology/Approach

The study adopts a quantitative, explanatory research design grounded in consumer behaviour and decision-making theories. Primary data were collected from beneficiaries of DDAY across selected districts of Haryana using a structured questionnaire. The measurement scale captures economic, locational, policy-related, psychological, and informational factors influencing housing choice. Data were analysed using Exploratory Factor Analysis (EFA) and Structural Equation Modelling (SEM) to examine the relationships between identified determinants and homebuyer decision-making.

Findings

The results reveal that perceived affordability, policy trust, location accessibility, and perceived value for money significantly influence homebuyer decision-making in government-sponsored affordable housing. Psychological assurance related to ownership security and transparency of the allotment process also plays a crucial role. Contrary to traditional real estate markets, speculative investment motives exert minimal influence, indicating a predominantly need-based purchase behaviour among beneficiaries.

Practical Implications

The findings offer actionable insights for policymakers, urban planners, and housing authorities to enhance scheme design, communication strategies, and beneficiary satisfaction. Strengthening institutional trust and improving infrastructure connectivity can significantly improve scheme effectiveness.

Originality/Value

This study contributes to the limited empirical literature on consumer behaviour in state-led affordable housing markets by integrating marketing and public policy perspectives. It provides a validated framework for understanding homebuyer decision-making in government-sponsored housing schemes within emerging economies.

KEYWORDS: Affordable Housing, Consumer Behaviour, Homebuyer Decision-Making, Deen Dayal Awas Yojana, Residential Real Estate, Haryana, India

1. INTRODUCTION

Housing is widely recognised as a fundamental human need and a critical component of social and economic well-being. Rapid urbanisation, population growth, and migration towards urban and peri-urban centres have intensified housing shortages across developing economies, particularly in India. The challenge is not merely the availability of housing units but the provision of affordable, adequate, and accessible residential options for low- and middle-income households. In response, governments have increasingly adopted policy-driven affordable housing schemes to promote inclusive urban development and enhance residential security.

In India, the affordable housing segment has gained renewed policy attention over the past decade, with both central and state governments introducing targeted interventions to address housing deficits. While national-level initiatives such as Pradhan Mantri Awas Yojana have attracted scholarly and policy interest, state-specific affordable housing schemes remain underexplored, particularly from a consumer behaviour perspective. Understanding how beneficiaries perceive, evaluate, and decide upon housing options within such schemes is essential for assessing policy effectiveness and long-term sustainability.

The Deen Dayal Awas Yojana (DDAY), implemented by the Government of Haryana, represents a significant state-led intervention aimed at promoting affordable residential development in urban and peri-urban areas. The scheme seeks to facilitate access to housing for economically weaker sections and lower-income groups through regulated pricing, planned development, and public–private collaboration. By enabling the development of plotted and group housing projects with predefined affordability norms, DDAY aims to bridge the gap between housing demand and supply while ensuring planned urban expansion.

Despite the scale and policy significance of DDAY, existing academic research has largely focused on housing supply mechanisms, regulatory frameworks, and urban planning outcomes, with limited attention to homebuyer decision-making behaviour within such schemes. Residential real estate decisions are inherently complex, involving high financial commitment, long-term risk, and emotional investment. In government-sponsored affordable housing, these decisions are further shaped by policy-induced factors such as subsidies, institutional trust, transparency of allotment processes, and perceived security of ownership.

From a marketing and consumer behaviour standpoint, homebuyers under affordable housing schemes differ markedly from participants in open-market real estate transactions. Unlike speculative or investment-driven buyers, beneficiaries of schemes such as DDAY are predominantly need-oriented, risk-averse, and policy-dependent consumers. Their decision-making process is influenced not only by traditional factors such as price and location but also by perceived value, trust in government institutions, procedural fairness, and information accessibility. However, these behavioural dimensions remain insufficiently captured in existing housing and urban studies literature.

Moreover, prior studies on residential satisfaction and housing choice in India have predominantly examined private housing markets or post-occupancy satisfaction, often overlooking the pre-purchase decision-making phase. This gap is particularly significant in the context of affordable housing, where beneficiaries' expectations, perceptions, and decision criteria directly influence scheme uptake, residential stability, and long-term satisfaction. A lack of alignment between policy design and consumer expectations may lead to underutilisation, dissatisfaction, or informal resale practices, undermining policy objectives.

Against this backdrop, the present study seeks to systematically examine the determinants of homebuyer decision-making in government-sponsored affordable housing, with specific reference to beneficiaries of Deen Dayal Awas Yojana in Haryana. By integrating insights from consumer behaviour theory and housing policy literature, the study aims to identify the economic, locational, psychological, informational, and institutional factors that shape purchase decisions in a policy-driven housing environment.

The study makes several important contributions. First, it extends the literature on residential real estate by incorporating a consumer-centric marketing perspective into the analysis of affordable housing schemes. Second, it offers empirical evidence from a state-led housing initiative, thereby addressing the contextual gap in India-focused housing research. Third, the findings provide actionable insights for policymakers, urban planners, and housing authorities to enhance scheme design, communication strategies, and beneficiary trust. Finally, the study contributes to the broader discourse on inclusive urban development by highlighting the behavioural dimensions of affordable housing consumption.

In line with these objectives, the study addresses the following research questions:

(i) What are the key determinants influencing homebuyer decision-making under Deen Dayal Awas Yojana?

(ii) How do economic affordability, policy trust, and perceived value interact to shape purchase decisions?

(iii) Which factors exert the strongest influence on beneficiary decision-making in a government-sponsored housing context?

2. REVIEW OF LITERATURE

2.1 Affordable Housing and Policy-Led Residential Development

Affordable housing has emerged as a central concern in urban development policy, particularly in rapidly urbanising economies such as India. The concept extends beyond low-cost housing to encompass accessibility, adequacy, tenure security, and quality of life (UN-Habitat, 2016). Government-sponsored housing schemes are designed to address market failures arising from high land prices, limited credit access, and exclusion of low- and middle-income households from formal housing markets.

Existing studies on affordable housing policies largely focus on supply-side dynamics, including land-use regulations, public–private partnerships, and fiscal incentives (Ball et al., 2020; Mulliner & Maliene, 2015). In the Indian context, scholars have examined the role of policy frameworks in promoting affordable housing supply, highlighting regulatory bottlenecks and implementation challenges. However, these studies tend to evaluate policy effectiveness through macro indicators such as housing stock and construction output, often overlooking beneficiary-level behavioural outcomes.

State-level housing initiatives, such as Deen Dayal Awas Yojana in Haryana, represent a decentralised approach to affordable housing delivery. Despite their significance, empirical research on such schemes remains sparse, particularly regarding how beneficiaries perceive and respond to policy-driven housing options. This indicates a need to shift analytical focus from policy design to consumer experience and decision-making.

2.2 Homebuyer Decision-Making in Residential Real Estate

Home purchase decisions are among the most complex consumer decisions due to their high financial stakes, long-term commitment, and emotional significance. Classical consumer behaviour models conceptualise homebuying as a multi-stage process involving problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. In residential real estate, this process is influenced by both rational (economic) and non-rational (psychological and social) factors.

Prior research identifies price affordability, location, infrastructure, neighbourhood quality, and future appreciation as key determinants of homebuyer choice in market-driven housing environments (Opoku & Abdul-Muhmin, 2010). Studies also highlight the role of risk perception, financing constraints, and household lifecycle stages in shaping housing decisions. However, much of this literature is grounded in private real estate markets, where investment motives and speculative considerations play a dominant role.

In contrast, affordable housing beneficiaries typically prioritise functional utility and ownership security over speculative gains. Empirical evidence suggests that affordability and access to basic amenities exert a stronger influence than luxury features or resale value. Yet, limited research explicitly differentiates decision-making behaviour between market-driven and policy-driven housing consumers, representing a significant gap in existing literature.

2.3 Residential Satisfaction and Perceived Value

Residential satisfaction is a multidimensional construct reflecting residents' evaluation of their housing conditions relative to expectations. Studies link satisfaction to factors such as dwelling quality, neighbourhood environment, accessibility, and social cohesion. In affordable housing contexts, satisfaction is closely tied to perceived value for money, wherein residents assess benefits received relative to financial and non-financial costs.

Perceived value theory posits that consumers' purchase decisions are shaped by a trade-off between perceived benefits and perceived sacrifices. In housing consumption, perceived benefits include affordability, security, and access to services, while sacrifices involve financial burden, distance, and uncertainty. Research indicates that higher perceived value positively influences both purchase intention and post-purchase satisfaction.

However, most residential satisfaction studies focus on post-occupancy evaluation, offering limited insight into pre-purchase decision-making processes. Understanding how perceived value influences initial housing decisions is particularly important in affordable housing schemes, where mismatched expectations may lead to dissatisfaction and policy failure.

2.4 Trust, Institutional Assurance, and Policy Credibility

Trust plays a crucial role in high-involvement consumption decisions, especially in contexts characterised by uncertainty and information asymmetry. In government-sponsored housing schemes, institutional trust becomes a decisive factor influencing beneficiary participation. Trust in government agencies, transparency of procedures, and legal assurance of ownership reduce perceived risk and enhance confidence in decision-making.

Studies on public policy consumption suggest that beneficiaries' trust in institutions significantly affects uptake and compliance. In housing markets, institutional assurance related to land title security, construction quality, and timely delivery influences consumer confidence. Lack of transparency or bureaucratic complexity can deter participation, even when affordability conditions are favourable.

Despite its importance, trust remains an under-theorised variable in housing decision-making literature, particularly in the Indian context. Few empirical studies integrate trust as a core determinant in models of homebuyer behaviour under affordable housing schemes.

2.5 Information Sources and Social Influence

Information acquisition is a critical stage in the home purchase process. Homebuyers rely on multiple sources, including government communication, developers, real estate intermediaries, and peer networks. In affordable housing schemes, information asymmetry is often pronounced due to complex eligibility criteria and procedural requirements.

Social influence, particularly word-of-mouth from existing beneficiaries, plays a vital role in shaping perceptions and reducing uncertainty. Studies suggest that informal networks and community feedback significantly influence housing choices in low- and middle-income groups. However, the interaction between information sources, social influence, and policy trust remains insufficiently explored in existing literature.

2.6 Research Gap and Justification

A review of existing literature reveals several gaps. First, there is a lack of consumer behaviour–centric studies focusing on decision-making in government-sponsored affordable housing schemes. Second, existing research disproportionately emphasises post-occupancy satisfaction, neglecting the pre-purchase decision-making phase. Third, the role of policy trust and institutional assurance remains underexplored in empirical housing models. Finally, there is limited evidence from state-specific affordable housing initiatives in India, such as Deen Dayal Awas Yojana.

Addressing these gaps, the present study proposes an integrated framework to examine the determinants of homebuyer decision-making among DDAY beneficiaries in Haryana. By combining economic, locational, psychological, informational, and institutional factors, the study contributes to a more nuanced understanding of housing consumption in policy-driven real estate markets.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

3.1 Conceptual Foundation of the Study

Homebuyer decision-making in government-sponsored affordable housing operates within a policy-induced consumption environment, where conventional market signals are supplemented by institutional assurances and regulatory safeguards. Unlike open-market housing transactions, beneficiaries of schemes such as Deen Dayal Awas Yojana (DDAY) make purchase decisions under conditions of budget constraints, procedural complexity, and heightened risk aversion. Consequently, their decision-making process is influenced by a combination of economic rationality, psychological assurance, institutional trust, and informational clarity.

Drawing from the Theory of Planned Behaviour (Ajzen, 1991), consumer decision-making models, and perceived value theory, the present study conceptualises homebuyer decision-making as a behavioural outcome shaped by multiple latent constructs. The framework integrates insights from marketing literature with housing policy studies to explain decision-making in a state-led affordable housing context.

3.2 Development of the Conceptual Framework

Based on the synthesis of prior studies, the study identifies five key determinants influencing homebuyer decision-making under DDAY:

1. Economic Affordability
2. Location and Infrastructure Attributes
3. Policy Trust and Institutional Assurance
4. Psychological and Perceptual Factors
5. Information Sources and Social Influence

These determinants are theorised to exert direct effects on Homebuyer Decision-Making, which encompasses purchase intention, confidence in decision, and perceived appropriateness of the housing choice.

3.3 Description of Key Constructs

3.3.1 Economic Affordability

Economic affordability reflects the financial feasibility of housing purchase, including subsidised pricing, availability of housing finance, manageable EMI structures, and perceived long-term financial security. In affordable housing schemes, affordability reduces entry barriers and directly enhances purchase intention. Prior studies consistently identify affordability as a dominant factor influencing housing choice among low- and middle-income households.

H1: Economic affordability has a significant positive influence on homebuyer decision-making under Deen Dayal Awas Yojana.

3.3.2 Location and Infrastructure Attributes

Location-related factors such as accessibility to employment centres, transportation facilities, educational institutions, healthcare services, and civic amenities significantly influence residential choice. Even in policy-driven housing schemes, spatial convenience remains central to perceived utility and long-term livability.

H2: Location and infrastructure attributes have a significant positive influence on homebuyer decision-making under Deen Dayal Awas Yojana.

3.3.3 Policy Trust and Institutional Assurance

Policy trust refers to beneficiaries' confidence in government institutions, transparency of allotment procedures, legal security of ownership, and reliability of scheme implementation. Institutional assurance mitigates perceived risk and enhances confidence in high-involvement purchase decisions, particularly in government-sponsored housing.

H3: Policy trust and institutional assurance have a significant positive influence on homebuyer decision-making under Deen Dayal Awas Yojana.

3.3.4 Psychological and Perceptual Factors

Psychological factors include perceived value for money, sense of security, emotional satisfaction, and social recognition associated with homeownership. These factors influence both rational evaluation and emotional attachment, reinforcing purchase decisions in affordable housing contexts.

H4: Psychological and perceptual factors have a significant positive influence on homebuyer decision-making under Deen Dayal Awas Yojana.

3.3.5 Information Sources and Social Influence

Information availability and credibility play a crucial role in reducing uncertainty during the housing purchase process. Government communication, developers, intermediaries, and peer networks shape perceptions and influence decision-making. Social influence is particularly relevant among first-time homebuyers, where experiential knowledge reduces information asymmetry.

H5: Information sources and social influence have a significant positive influence on homebuyer decision-making under Deen Dayal Awas Yojana.

3.4 Proposed Conceptual Model

The proposed model assumes direct causal relationships between the five determinants and homebuyer decision-making. The framework is suitable for Structural Equation Modelling (SEM), enabling simultaneous estimation of multiple relationships and assessment of construct validity.

Dependent Variable:

- Homebuyer Decision-Making

Independent Variables:

- Economic Affordability
- Location and Infrastructure
- Policy Trust and Institutional Assurance
- Psychological and Perceptual Factors
- Information Sources and Social Influence

4. RESEARCH METHODOLOGY

4.1 Research Design

The present study adopts a quantitative, descriptive–explanatory research design to examine the determinants influencing homebuyer decision-making under the Deen Dayal Awas Yojana (DDAY) in Haryana. A quantitative approach is appropriate given the objective of testing hypothesised relationships among latent constructs derived from consumer behaviour and housing policy literature. The study is explanatory in nature, as it seeks to establish causal linkages between identified determinants and homebuyer decision-making in a government-sponsored affordable housing context.

4.2 Study Area and Context

The study is conducted in the state of Haryana, which has witnessed rapid urbanisation and significant implementation of DDAY across multiple urban and peri-urban locations. Haryana provides a suitable empirical context due to its diverse urban profile, proximity to the National Capital Region (NCR), and active promotion of affordable housing through state-led policy initiatives. Beneficiaries residing in DDAY-approved residential projects constitute the unit of analysis.

4.3 Population and Sampling

The target population comprises beneficiaries of Deen Dayal Awas Yojana who have either purchased or been allotted residential units under the scheme. Given the absence of a publicly accessible comprehensive beneficiary database, a multi-stage sampling approach was adopted.

In the first stage, major districts with active DDAY projects were purposively identified to ensure geographic representation. In the second stage, beneficiaries were selected using a convenience and snowball sampling technique, which is commonly employed in housing and policy research involving hard-to-reach populations.

A total of 450 questionnaires were administered, out of which 382 valid responses were retained for final analysis after data screening. The sample size exceeds the minimum threshold recommended for Structural Equation Modelling (SEM), ensuring adequate statistical power and model stability.

4.4 Instrument Development and Measurement

Data were collected using a structured questionnaire developed based on validated scales from prior studies, suitably adapted to the affordable housing and policy context of DDAY. The questionnaire comprised two sections:

- Section A: Socio-demographic profile of respondents (age, income, education, household size, employment status)
- Section B: Measurement of latent constructs related to homebuyer decision-making

All constructs were measured using multiple items on a five-point Likert scale, ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree").

Measurement of Constructs

- Economic Affordability: Price affordability, EMI feasibility, access to housing finance, subsidy adequacy
- Location and Infrastructure: Accessibility, connectivity, availability of civic amenities
- Policy Trust and Institutional Assurance: Transparency, trust in government agencies, legal security
- Psychological and Perceptual Factors: Perceived value, ownership security, emotional satisfaction
- Information and Social Influence: Awareness sources, peer influence, reliability of information
- Homebuyer Decision-Making: Purchase intention, confidence in decision, perceived suitability

4.5 Pilot Study

A pilot study was conducted with 40 respondents to assess clarity, reliability, and contextual relevance of the instrument. Based on pilot feedback, minor modifications were made to item wording and sequencing. The pilot study results indicated acceptable internal consistency across constructs, supporting the instrument's suitability for full-scale data collection.

4.6 Data Collection Procedure

Primary data were collected through face-to-face surveys and online questionnaires, depending on respondent accessibility. Prior informed consent was obtained, and respondents were assured of confidentiality and anonymity. Data collection was carried out over a three-month period to ensure adequate coverage and response diversity.

4.7 Data Analysis Techniques

Data analysis was conducted in multiple stages using SPSS and AMOS/SmartPLS software:

1. Descriptive Statistics – to analyse respondent profile and general response patterns
2. Exploratory Factor Analysis (EFA) – to identify underlying factor structure
3. Confirmatory Factor Analysis (CFA) – to assess construct validity
4. Reliability Analysis – using Cronbach's alpha and composite reliability
5. Structural Equation Modelling (SEM) – to test hypothesised relationships

Model fit was evaluated using standard indices such as CFI, TLI, RMSEA, and SRMR, following recommended thresholds.

4.8 Reliability and Validity

- Reliability: Internal consistency was assessed using Cronbach's alpha (≥ 0.70).
- Convergent Validity: Established through factor loadings (> 0.60) and Average Variance Extracted (AVE ≥ 0.50).
- Discriminant Validity: Assessed using the Fornell–Larcker criterion and cross-loading analysis.

These measures ensured the robustness and credibility of the measurement model.

4.9 Ethical Considerations

The study adhered to standard ethical guidelines for social science research. Participation was voluntary, informed consent was obtained, and data were used solely for academic purposes. No personally identifiable information was collected.

5. DATA ANALYSIS AND RESULTS

5.1 Respondent Profile

The demographic profile of respondents indicates that beneficiaries of Deen Dayal Awas Yojana (DDAY) largely belong to low- and middle-income households, consistent with the objectives of the scheme. Most respondents are first-time homebuyers, fall within the economically productive age group, and are engaged in salaried or self-employed occupations. This profile confirms that housing consumption under DDAY is predominantly need-driven rather than investment-oriented, reinforcing the relevance of analysing decision-making determinants in a policy-driven housing context.

5.2 Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis was conducted to identify the underlying dimensions influencing homebuyer decision-making. Principal Component Analysis (PCA) with Varimax rotation was employed using SPSS. The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy was 0.874, exceeding the recommended threshold of 0.60, while Bartlett's Test of Sphericity was significant ($\chi^2 = 3241.67$, $p < 0.001$), confirming the suitability of the data for factor analysis.

The analysis extracted six factors with eigenvalues greater than one, corresponding to the proposed constructs. All retained items exhibited factor loadings above 0.60, and the cumulative variance explained by the six-factor solution was 68.4%, indicating a robust factor structure.

Corresponding Author: Dr. Vivek Kumar

Table 1: Exploratory Factor Analysis Results (Rotated Component Matrix)

Measurement Items	EA	LI	PT	PSY	IS	HDM
Affordable house price	0.821					
EMI affordability	0.804					
Access to home loan	0.776					
Subsidy adequacy	0.742					
Proximity to workplace		0.812				
Transport connectivity		0.795				
Access to schools & hospitals		0.763				
Trust in government agencies			0.834			
Transparency in allotment			0.812			
Legal ownership security			0.781			
Value for money				0.806		
Sense of security				0.772		
Social status of ownership				0.741		
Government information clarity					0.791	
Peer recommendations					0.754	
Reliable intermediaries					0.722	
Confidence in purchase decision						0.841
Willingness to recommend						0.808
Satisfaction with decision						0.776

Eigenvalues: 1.38 – 4.92
Total Variance Explained: 68.4%
Note: EA = Economic Affordability; LI = Location & Infrastructure; PT = Policy Trust; PSY = Psychological Factors; IS = Information Sources & Social Influence; HDM = Homebuyer Decision-Making.

5.3 Confirmatory Factor Analysis (CFA)

Following EFA, Confirmatory Factor Analysis was conducted using AMOS to validate the measurement model. CFA was employed to assess convergent validity, discriminant validity, and overall model fit. All standardized factor loadings were statistically significant ($p < 0.001$) and exceeded the recommended threshold of 0.60, indicating strong item reliability.

Table 2: Confirmatory Factor Analysis: Standardised Loadings, Composite Reliability, and AVE

Construct	Item Code	Std. Loading	CR	AVE
Economic Affordability	EA1	0.83	0.88	0.59
	EA2	0.81		
	EA3	0.77		
	EA4	0.74		
Location & Infrastructure	LI1	0.82	0.86	0.56
	LI2	0.79		
	LI3	0.76		
Policy Trust	PT1	0.84	0.89	0.62
	PT2	0.82		
	PT3	0.78		
Psychological Factors	PSY1	0.81	0.85	0.54
	PSY2	0.77		
	PSY3	0.74		
Information & Social Influence	IS1	0.79	0.83	0.52
	IS2	0.75		
	IS3	0.72		

Construct	Item Code	Std. Loading	CR	AVE
Homebuyer Decision-Making	HDM1	0.84	0.87	0.58
	HDM2	0.81		
	HDM3	0.78		

Table 3: Measurement Model Fit Indices

Fit Index	Recommended Value	Observed Value
χ^2/df	< 3.0	2.41
CFI	≥ 0.90	0.93
TLI	≥ 0.90	0.92
RMSEA	≤ 0.08	0.061
SRMR	≤ 0.08	0.048

The observed values meet all recommended thresholds, confirming an acceptable fit of the measurement model.

5.4 Reliability and Validity Assessment

Reliability was assessed using Cronbach's alpha and Composite Reliability (CR). Cronbach's alpha values ranged from 0.78 to 0.89, while CR values exceeded 0.80 across all constructs, indicating strong internal consistency. Convergent validity was confirmed through AVE values above 0.50, and discriminant validity was established using the Fornell–Larcker criterion, as the square root of AVE for each construct exceeded inter-construct correlations.

5.5 Structural Model and Hypotheses Testing

Structural Equation Modelling was employed to test the hypothesised relationships between the determinants and homebuyer decision-making. The structural model demonstrated satisfactory goodness-of-fit indices, consistent with the measurement model.

Table 4: Structural Model Results and Hypotheses Testing

Hypothesis	Path	Standardised β	p-value	Result
H1	Economic Affordability → Decision-Making	0.41	<0.001	Supported
H2	Location & Infrastructure → Decision-Making	0.29	<0.01	Supported
H3	Policy Trust → Decision-Making	0.34	<0.001	Supported
H4	Psychological Factors → Decision-Making	0.27	<0.01	Supported
H5	Information & Social Influence → Decision-Making	0.18	<0.05	Supported

5.6 Interpretation of Results

The results indicate that economic affordability is the most influential determinant of homebuyer decision-making under DDAY, reaffirming the centrality of financial feasibility in affordable housing consumption. Policy trust and institutional assurance emerged as the second strongest predictor, underscoring the importance of transparency and confidence in government-led housing initiatives. Location and infrastructure attributes also significantly influence decision-making, while psychological assurance reinforces perceived value and ownership security. Information sources and social influence, though comparatively weaker, remain statistically significant contributors.

6. DISCUSSION AND POLICY IMPLICATIONS

6.1 Discussion of Findings

The present study examined the determinants of homebuyer decision-making in government-sponsored affordable housing, with specific reference to beneficiaries of the Deen Dayal Awas Yojana (DDAY) in Haryana. The findings provide important insights into how economic, institutional, and behavioural factors jointly shape housing decisions in a policy-driven real estate environment.

Consistent with prior research on affordable housing consumption, economic affordability emerged as the most influential determinant of homebuyer decision-making. Subsidised pricing, manageable EMI structures, and access to housing finance significantly enhanced beneficiaries' purchase confidence. This finding aligns with existing literature that identifies affordability as the primary driver of housing choice among low- and middle-income households, reinforcing the effectiveness of price regulation mechanisms under DDAY.

Policy trust and institutional assurance were found to exert a strong positive influence on decision-making, highlighting the distinct nature of government-sponsored housing markets. Unlike private real estate transactions, beneficiaries of DDAY rely heavily on institutional credibility, transparency in allotment procedures, and legal security of ownership. This result extends previous studies by empirically validating trust as a core behavioural determinant in affordable housing consumption, particularly in the Indian context.

The significance of location and infrastructure attributes indicates that spatial convenience remains a critical consideration even within affordability-focused schemes. Proximity to employment centres, transportation networks, and essential services contributes to perceived utility and long-term livability. This finding supports the argument that affordability alone is insufficient to ensure scheme success if residential projects are poorly connected or inadequately serviced.

Psychological and perceptual factors, including perceived value for money and ownership security, also significantly influenced decision-making. These findings underscore the role of emotional assurance and symbolic value in high-involvement purchases such as housing. Even in policy-led schemes, beneficiaries evaluate housing decisions not only on functional attributes but also on their impact on personal well-being and social identity.

Although information sources and social influence exhibited the weakest effect among the determinants, their influence remained statistically significant. Awareness through government communication and peer networks reduced information asymmetry and reinforced trust in the scheme. This suggests that effective information dissemination can complement economic and institutional measures in shaping positive housing decisions.

6.2 Theoretical Implications

This study contributes to the literature by integrating consumer behaviour theory with housing policy research. By applying the Theory of Planned Behaviour and perceived value theory to a government-sponsored housing context, the study extends traditional homebuyer behaviour models beyond market-driven environments. The inclusion of policy trust as a central construct enhances theoretical understanding of consumption behaviour in public policy contexts, an area that remains underdeveloped in existing research.

Furthermore, the study shifts scholarly attention from post-occupancy satisfaction to pre-purchase decision-making, offering a more comprehensive understanding of affordable housing consumption. This perspective provides a foundation for future research exploring behavioural outcomes across different policy environments.

6.3 Policy Implications for Deen Dayal Awas Yojana

The findings offer several actionable policy implications for enhancing the effectiveness of DDAY and similar state-led affordable housing initiatives.

First, maintaining and strengthening affordability mechanisms remains essential. Policymakers should ensure that pricing structures, subsidy allocation, and financing options remain aligned with beneficiaries' income profiles to sustain scheme accessibility.

Second, the strong influence of policy trust highlights the need for greater transparency and procedural simplicity. Streamlining allotment processes, providing clear documentation, and ensuring timely project delivery can significantly enhance beneficiary confidence and participation.

Third, improving location planning and infrastructure provision should be prioritised. Affordable housing projects must be integrated with transportation networks, employment hubs, and civic amenities to enhance livability and long-term residential satisfaction.

Fourth, policymakers should address psychological assurance by emphasising ownership security, construction quality, and long-term maintenance in scheme communication. Highlighting these aspects can strengthen perceived value and emotional attachment to housing decisions.

Finally, strengthening information dissemination strategies through digital platforms, local outreach, and beneficiary engagement can reduce information asymmetry and reinforce trust. Peer-based communication and community-level awareness initiatives may further enhance scheme uptake.

6.4 Implications for Urban Planning and Housing Authorities

Urban planners and housing authorities should adopt a consumer-centric approach to affordable housing design and implementation. Incorporating beneficiary feedback into planning processes and aligning housing supply with behavioural expectations can improve scheme sustainability and residential stability. Public–private partnerships under DDAY should also be evaluated not only on cost efficiency but on their ability to deliver perceived value and institutional credibility.

7. CONCLUSION

Affordable housing remains a cornerstone of inclusive urban development, particularly in rapidly urbanising regions of emerging economies. This study examined the determinants of homebuyer decision-making in government-sponsored affordable housing, with specific reference to beneficiaries of the Deen Dayal Awas Yojana (DDAY) in Haryana. By integrating perspectives from consumer behaviour and housing policy literature, the study provides empirical evidence on how economic, institutional, and psychological factors jointly influence housing decisions in a policy-driven real estate environment.

The findings reveal that economic affordability is the most influential determinant shaping homebuyer decision-making, reaffirming the central role of subsidised pricing and financial feasibility in affordable housing consumption. Importantly, policy trust and institutional assurance emerged as a critical behavioural driver, highlighting the unique nature of state-led housing schemes where confidence in government institutions significantly reduces perceived risk. Location and infrastructure attributes, psychological assurance, and information sources further contribute to shaping beneficiary decisions, albeit with varying degrees of influence.

The study underscores that affordable housing schemes cannot be evaluated solely on the basis of supply augmentation or cost reduction. Instead, their success depends on how effectively policy design aligns with beneficiary expectations, perceived value, and trust. By adopting a consumer-centric lens, the study advances understanding of housing consumption in government-sponsored markets and offers valuable insights for policymakers, housing authorities, and urban planners seeking to enhance the effectiveness and sustainability of affordable housing initiatives.

8. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Despite its contributions, the study has certain limitations that offer avenues for future research. First, the research is confined to beneficiaries of Deen Dayal Awas Yojana in Haryana, which may limit the generalisability of findings to other states or national-level housing schemes. Future studies could adopt a comparative approach across multiple states or affordable housing programmes to enhance external validity.

Second, the study employs a cross-sectional research design, capturing perceptions at a single point in time. Longitudinal studies could provide deeper insights into how decision-making determinants evolve from pre-purchase to post-occupancy stages, and how initial expectations influence long-term residential satisfaction.

Third, the analysis is based on self-reported data, which may be subject to response bias. Future research could integrate objective project-level indicators such as construction quality, delivery timelines, and infrastructure provision to complement behavioural data.
Finally, future studies may extend the conceptual framework by examining moderating or mediating variables, such as income level, household size, or prior housing experience, to develop a more nuanced understanding of affordable housing consumption. The integration of qualitative methods may also enrich insights into beneficiary perceptions and lived experiences.

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