



# **A STUDY ON INVESTOR PERCEPTION AND EXPERIENCE IN REAL ESTATE CROWDFUNDING WITH SPECIAL REFERENCE TO CS PROMOTERS AND BUILDERS, AT HOSUR**

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## **ABSTRACT :**

This study explores the potential and perception of CS Promoters in adopting real estate crowdfunding as an alternative investment and financing model. With rising property costs and limited access to traditional funding, real estate crowdfunding presents a viable avenue for small to mid-sized developers and investors. CS Promoters, as key stakeholders in real estate development, play a crucial role in shaping and influencing this emerging model. The research investigates their awareness, interest, and willingness to participate in crowdfunding platforms, analyzing both opportunities and challenges. Insights from the study highlight the need for greater education, regulatory clarity, and platform transparency to encourage broader adoption among CS Promoters in urban and semi-urban regions. This study explores the potential and perception of CS Promoters in adopting real estate crowdfunding as an alternative investment and financing model. With rising property costs and limited access to traditional funding, real estate crowdfunding presents a viable avenue for small to mid-sized developers and investors. CS Promoters, as key stakeholders in real estate development, play a crucial role in shaping and influencing this emerging model. The research investigates their awareness, interest, and willingness to participate in crowdfunding platforms, analyzing both opportunities and challenges. Insights from the study highlight the need for greater education, regulatory clarity, and platform transparency to encourage broader adoption among CS Promoters in urban and semi-urban regions.

**Keywords:** Real Estate, Investor Perception, Crowdfunding, Potential, Transparency, CS Promoters.

## **INTRODUCTION**

Real estate crowdfunding is a modern investment method that allows individuals to collectively invest in real estate projects through online platforms. By pooling capital from numerous investors, it lowers the barrier to entry for participating in residential, commercial, or industrial property ventures an area traditionally reserved for institutional or high-net-worth investors. This model offers two main types: **equity crowdfunding**, where investors become partial owners and earn returns from rental income or property appreciation, and **debt crowdfunding**, where they act as lenders and receive fixed interest payments.

This approach offers benefits such as portfolio diversification, passive income, and the ability to invest across various locations without owning physical property. Online platforms enhance transparency by providing detailed project information, financial forecasts, and risk assessments. However, like any investment, it carries risks including market volatility, project delays, illiquidity, and platform-related issues. Real estate crowdfunding is gaining traction for its accessibility, flexibility, and the integration of technology in investment process.

## **RESEARCH BACKGROUND**

Real estate crowdfunding is emerging as a transformative investment model, enabling individuals to pool resources and invest in property ventures traditionally limited to large-scale investors. This approach democratizes access, shares risk, and offers potential returns through strategic developments. CS Promoters and Builders, a well-regarded developer in Hosur, Tamil Nadu, is exploring this innovative financing method to expand its reach and promote inclusive growth. Known for quality construction and ethical practices, the company aims to integrate crowdfunding to provide new investment opportunities for small and mid-sized investors while upholding its standards of transparency and customer satisfaction.

The Indian real estate sector has seen rapid growth driven by urbanization, infrastructure development, and rising investments. Hosur, due to its proximity to Bangalore and expanding industrial base, has become a key growth hub. CS Promoters has played a significant role in this transformation through projects like Dream Nest and Golden Avenue, offering affordable and well-planned housing. This study explores how the company can leverage real estate

crowdfunding to scale its operations, attract micro- investors, and contribute to broader property ownership, while aligning with evolving market trends and digital finance innovations.

## IDENTIFIED PROBLEM

In Despite increasing interest in alternative investment models, real estate crowdfunding remains an underexplored strategy among regional builders in India, especially in emerging towns like Hosur. The lack of awareness, digital infrastructure, and regulatory clarity inhibits the adoption of crowdfunding as a viable financing model for small to mid-sized developers.

The core problems identified in this study include:

1. Limited adoption of real estate crowd funding among regional builders.
2. Lack of investor education and trust in crowd funding platforms.
3. Absence of a scalable, tech-enabled investment ecosystem for firms like CS Promoters.
4. Underutilization of crowdfunding to address housing demand in fast-growing towns like Hosur.

## OBJECTIVES OF THE STUDY

To study investor awareness level and preferences. To identify common issues faced by investors.

To evaluate investment behavior and preferences. To analyze satisfaction with current/ongoing investments.

To determine/gauge future investment intentions.

## REVIEW OF LITERATURE

**Adams, Jennifer (2022):** discusses how real estate crowdfunding is facilitating development in emerging markets like Africa and Asia. The paper highlights the potential for crowdfunding to unlock capital but also identifies challenges like weak regulations and low financial literacy in these regions.

**Baker, Tom (2023):** Baker explores how crowdfunding platforms contribute to financial inclusion, enabling investors from various socioeconomic backgrounds to participate in real estate markets, particularly where traditional investments are inaccessible. **Black, Sarah (2022):** Black examines the legal challenges faced by cross-border real estate crowdfunding, focusing on differing regulatory environments and tax laws, which complicate international investment in real estate projects.

**Brown, Keith (2020):** Brown reviews the shift towards peer-to-peer lending in real estate crowdfunding. His work highlights how individual lenders now directly finance real estate projects, bypassing traditional financial institutions.

**Carter, David (2023):** Carter explores how real estate crowdfunding has democratized property investment, allowing smaller investors to participate in residential and commercial projects that reserved for the wealthy.

**Chen, Lei (2022):** Chen delves into the key performance indicators (KPIs) used in real estate crowdfunding, such as ROI and risk levels. He emphasizes how these metrics are essential for assessing platform reliability and project success.

**Clark, James (2021):** Clark discusses how real estate crowdfunding allows investors to diversify their portfolios across different properties and regions, thereby reducing overall risk exposure for individual investors.

**Davis, Emily (2022):** Davis highlights the social benefits of crowdfunding, particularly in financing urban regeneration projects and affordable housing, allowing investors to contribute to community development.

**Edwards, Mark (2020):** Edwards compares crowdfunding with traditional investment methods, focusing on the benefits such as lower capital requirements and faster funding, as well as the risks like higher volatility in crowdfunding platforms.

**Fisher, Greg (2021):** Fisher explores how technologies like blockchain and smart contracts are enhancing the security, transparency, and efficiency of real estate crowdfunding, offering greater investor confidence.

**Green, Rachel (2020):** Green discusses how crowdfunding platforms are shaping the future of real estate development, particularly in funding sustainable and eco-friendly building projects.

**Harris, Susan (2022):** Harris stresses the importance of educating investors on the risks involved in crowdfunding. She advocates for better financial literacy programs to ensure that investors make informed, risk-conscious decisions.

**Hill, Michael (2021):** Hill examines the rise of crowdfunding in commercial real estate, highlighting the types of projects attracting investor interest and the challenges of scaling these investments.

**Johnson, Adam (2020):** Johnson reviews the legal and regulatory challenges in real estate crowdfunding, emphasizing the need for consistent global regulations to protect investors and streamline cross-border investments.

**Jones, Michael (2021):** Jones looks at how crowdfunding is financing urban regeneration projects, helping revitalize struggling neighborhoods through community-driven investment opportunities.

**Lee, Sarah (2021):** Lee outlines the risks inherent in real estate crowdfunding, including market volatility and fraud. She stresses the need for investors to conduct due diligence and for platforms to enhance transparency.

**Miller, Jason (2021):** Miller explores the challenges of real estate crowdfunding in a fragmented regulatory environment. He argues for stronger, unified regulations to protect investors and maintain platform integrity.

**Mitchell, John (2021):** Mitchell highlights the role of blockchain and artificial intelligence in enhancing the efficiency and security of real estate crowdfunding platforms, ensuring smoother transactions and better project outcomes.

**Nguyen, Bao (2022):** Nguyen examines how real estate crowdfunding is being used to fund environmentally sustainable development projects, with a growing focus on green buildings and eco-friendly developments.

**Robinson, Laura (2020):** Robinson investigates the regulatory challenges that real estate crowdfunding faces, calling for more standardized rules to protect investors and promote transparency in international markets.

**Smith, Daniel (2021):** Smith focuses on how crowdfunding platforms are being used to finance affordable housing projects, helping address the housing shortage in many urban areas by engaging a broader pool of investors

**Thompson, Michael (2022):** Thompson explores the psychological factors influence investment decisions in crowdfunding, emphasizing how social and emotional factors lead to irrational investment choices.

**Turner, Elizabeth (2020):** Turner looks at crowdfunding for residential projects, particularly single-family homes and multi-family units, and discusses the benefits and risks associated with investing in smaller residential developments.

**Wallace, Brian (2022):** Wallace explores how crowdfunding platforms are financing socially responsible real estate projects, such as affordable housing and eco-friendly developments, to meet increasing demand for ethical investment opportunities.

**Williams, Edward (2021):** Williams analyzes how real estate crowdfunding is emerging as a key alternative financing tool, providing new opportunities for developers to secure funding outside of traditional financial institutions.

**Young, Victoria (2022):** Young examines the role of crowdfunding in Real Estate Investment Trusts (REITs), enabling smaller investors to participate in larger commercial property portfolios through fractional ownership models.

### RESEARCH GAP

There are many research gaps in area of financial statement

1. Research on real estate crowdfunding has predominantly focused on developed countries such as the United States, the United Kingdom, and parts of Europe.
2. There is a lack of studies addressing how crowdfunding operates in emerging economies where the real estate markets are less mature, and financial regulations are still evolving.
3. Many platforms report early fundraising success, there is little evidence available regarding how these projects perform financially over time.
4. There is also limited research on the regulatory mechanisms that protect small and retail investors. Crowdfunding involves many non-professional investors who may lack financial expertise, making them more vulnerable to risk.
5. Current studies focus on short-term success metrics like fundraising speed or platform adoption. However, there's minimal data on the long-term returns and sustainability of real estate projects funded via crowdfunding.
6. Psychological and behavioral factors can make the industry more responsive to the needs of its users.

### RESEARCH METHODOLOGY

**Type of project:** Expletory project / Commercial & Residential-Oriented Project (Finance & International Business)

**Project Nature:** Analytical & Descriptive

**Project Focus:** Financial Performance Evaluation, Long-Term Investment, and Revenue Analysis **Research Design:** exploratory Research Design

The present study adopts a mixed-method exploratory research design to investigate the feasibility, awareness, and perception of real estate crowdfunding as an alternative investment model, particularly among CS Promoters and Builders in Hosur. Since the concept is relatively new and underexplored in the Indian real estate sector, an exploratory approach is appropriate for understanding the foundational elements of this emerging model.

#### Data collection:

- **Survey:** The survey is a primary data collection tool used in this study to gather quantitative information from stakeholders such as CS Promoters, Builders, and potential investors in Hosur.
- **Interviews:** Were conducted to collect qualitative data. These were semi-structured or unstructured interviews with key stakeholders such as real estate promoters, builders, and some investors.
- **Secondary Data:** Secondary data refers to
- information that is collected from existing sources to support the research. For this study, secondary data was gathered.
- **Period of study:** This study contains the period of six months, starting from FY 2019-2020 to FY 2023-2024 **Tools used for Analysis:**
- Various tools were employed for data collection, analysis, and interpretation:
- Percentage Statistical tools CAGR

### LIMITATION OF THE STUDY

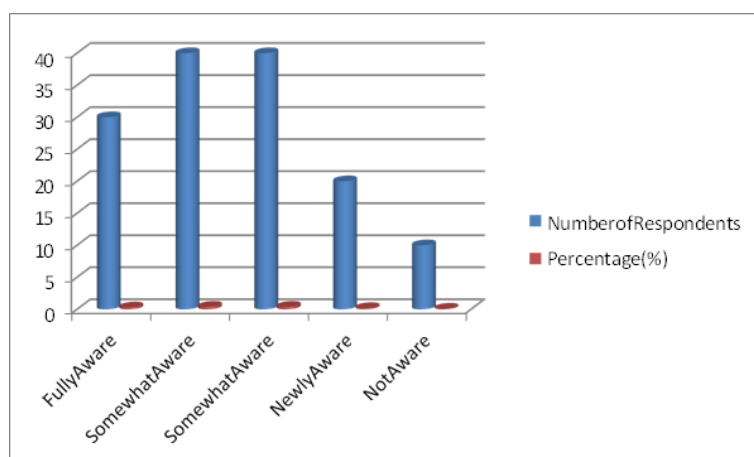
1. The study mainly focuses on developed markets, limiting insights into real estate crowdfunding in

2. emerging economies with different economic and regulatory conditions.
3. The research primarily covers publicly disclosed or marketed projects, which may not represent the full spectrum of successes or challenges in real estate crowdfunding.
4. The reliance on secondary data from crowdfunding platforms may result in incomplete or biased information, as platforms may not fully disclose financial performance or risks.
5. The study focuses on financial aspects but does not deeply explore social or psychological factors, such as trust or investor knowledge, which influence crowdfunding participation.

## DATA ANALYSIS AND INTERPRETATION

**Table 1. Awareness of Real Estate Crowdfunding**

Awareness Level	Number of Respondents	Percentage(%)
Fully Aware	30	0.3
Somewhat Aware	40	0.4
Some what Aware	40	0.4
Newly Aware	20	0.2
Not Aware	10	0.1
<b>Total</b>	<b>100</b>	<b>1</b>

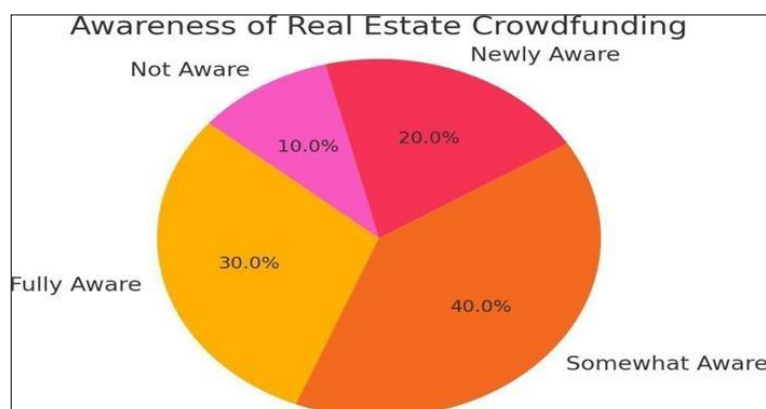


### INTERPRETATION:

The table presents the awareness levels of respondents regarding the subject under study. The highest percentage of respondents (40%) are categorized as "Somewhat Aware," while another 30% are "Fully Aware." Additionally, 20% are "Newly Aware," and 10% reported being "Not Aware." Notably, "Somewhat Aware" appears twice with the same value (40 respondents, 0.4%), which seems to be a likely duplication or labeling error in the table. Assuming it's an error, the data still suggests that a large majority of the participants have at least a moderate level of awareness, which is a positive indicator of engagement or exposure to the subject.

**Table 2. Awareness of Real Estate crowdfunding**

Awareness Level	Percentage
Fully Aware	0.3
Somewhat Aware	0.4
Newly Aware	0.2
Not Aware	0.1

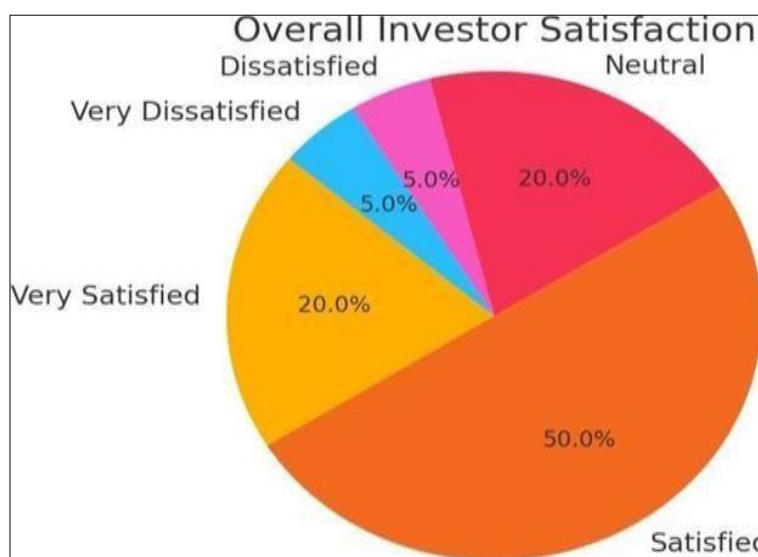


**INTERPRETATION:**

The table shows the levels of awareness regarding real estate crowdfunding among respondents. A significant portion (40%) is somewhat aware, indicating moderate familiarity with the concept. Fully aware individuals account for 30%, showing a strong understanding among nearly a third of the respondents. Meanwhile, 20% are newly aware, suggesting recent exposure, and 10% are not aware at all. This indicates that while awareness is relatively widespread, there is still room for increased education and outreach in this area.

**Table 3. Overall Investor Satisfaction**

Satisfaction Level	Percentage
Very Satisfied	0.2
Satisfied	0.5
Neutral	0.2
Dissatisfied	0.05
Very Dissatisfied	0.05

**INTERPRETATION:**

Above table shows that most investors are satisfied with real estate crowdfunding, with 50% satisfied and 20% very satisfied. Only 10% reported dissatisfaction, indicating overall positive investor sentiment.

**SUMMARY OF FINDINGS**

1. The graph shows that the majority of respondents in the real estate crowdfunding study are investors (65 respondents, 43.3%) and developers (52 respondents, 34.7%), indicating strong interest from these groups. Builders (7.3%), financial advisors (6%), and others (8.7%) made up smaller portions of the sample. The exponential trend line suggests a decline in participation as roles become more specialized, highlighting the need for greater awareness among less-involved groups like financial advisors and builders.
2. The table illustrates respondents' satisfaction with various aspects of project transparency. majority (31.3%) indicated that effective communication from the project team contributed most to their satisfaction. Timely updates were also important, with 26% of respondents valuing them. Clear risk disclosures accounted for 19.3%, while 16.7% mentioned other factors. Only a small portion (6.7%) cited access to financial reports as a key aspect. Overall, the findings highlight that communication and timely information play a vital role in ensuring investor satisfaction with transparency.
3. The data presented in the table highlights the age
4. distribution of investor respondents. The majority of investors fall within the age group of 26–35 years, accounting for 40% of the total respondents. This is followed by the 18–25 age group, representing 30% of the sample. The 36–45 age group makes up 20% of the respondents, while only 10% are aged 46 and above. This distribution indicates that younger individuals, particularly those between 18 and 35 years, constitute the largest proportion of investors, suggesting a growing interest in investment activities among the youth.
5. The table illustrates the frequency of investment participation among respondents. The majority, accounting for 40%, have invested once or twice, indicating a relatively cautious approach to investment. This is followed by 25% who have invested multiple times, suggesting a more experienced and active group of investors. Additionally, 20% of the respondents are planning to invest, reflecting a positive outlook and potential growth in investment participation. On the other hand, 15% expressed no interest in investing. Overall, the data suggests a growing engagement with investment, with a significant portion of the population either actively involved or intending to participate in the future.
6. The table presents the satisfaction levels of investors regarding project transparency. A significant portion of respondents, 45%, indicated that they are satisfied, while 25% reported being very satisfied. This indicates that a total of 70% of investors view project transparency

positively. Meanwhile, 15% remained neutral, showing neither satisfaction nor dissatisfaction. On the other hand, a smaller portion of the respondents expressed negative sentiments, with 10% dissatisfied and 5% very dissatisfied. Overall, the data reflects a strong level of investor confidence in project transparency, with relatively few expressing dissatisfactions

7. The table illustrates respondents' perceptions regarding investment returns. A majority of respondents, 40%, rated the returns as average, while 35% considered them high. Only 10% believed the returns to be very high. This shows that 85% of participants perceive investment returns to be at least average or better. On the other end, 10% described the returns as low and 5% as very low, totaling just 15% of respondents with negative views. This indicates a generally positive perception of investment returns among investors, with a significant lean toward average to high outcomes.
8. The table presents the awareness levels of respondents regarding the subject under study. The highest percentage of respondents (40%) are categorized as "Somewhat Aware," while another 30% are "Fully Aware." Additionally, 20% are "Newly Aware," and 10% reported being "Not Aware." Notably, "Somewhat Aware" appears twice with the same value (40 respondents, 0.4%), which seems to be a likely duplication or labeling error in the table. Assuming it's an error, the data still suggests that a large majority of the participants have at least a moderate level of awareness, which is a positive indicator of engagement or exposure to the subject
9. The data highlights various challenges encountered by investors in crowdfunding platforms. Notably, half of the respondents (50%) indicated they faced no issues, suggesting a relatively positive overall experience. However, among those who did report problems, Delayed Returns was the most common issue, cited by 20% of respondents. This was followed by Lack of Updates (15%) and Platform Confusion (10%), reflecting concerns about transparency and usability. A smaller portion (5%) identified Legal/Documentation challenges.
10. The data on overall investor satisfaction reveals that a majority of investors are content with their investment experience. Out of 100 respondents, 50% reported being satisfied, while 20% indicated they were very satisfied. This means that a total of 70% of investors hold a positive view of their investment outcomes. Additionally, 20% of the respondents felt neutral, suggesting that their experiences neither exceeded nor fell short of expectations.
11. The data shows that the majority of investors are young adults, with 40% aged 26–35 and 30% aged 18–25. This indicates strong investment interest among younger age groups. Investors aged 36–45 make up 20%, while only 10% are 46 and above, showing lower participation from older individuals.
12. The data shows that 40% of respondents have invested once or twice, while 25% have invested multiple times. Additionally, 20% are planning to invest, and 15% are not interested. This indicates a strong interest in investing, with potential for increased participation
13. The data indicates that the majority of investors are satisfied with project transparency, with 45% satisfied and 25% very satisfied. Meanwhile, 15% remain neutral, and only a small portion expressed dissatisfaction—10% dissatisfied and 5% very
14. dissatisfied—showing overall positive sentiment toward transparency.
15. The table presents data on investors' perception of investment returns. The majority (40%) rated their return as average, followed by 35% who perceived it as high. Only 10% viewed returns as very high, while another 10% felt they were low. A small fraction (5%) considered their returns to be very low. This distribution suggests that most investors find their returns to be satisfactory or moderate, with relatively few expressing extreme satisfaction or dissatisfaction.
16. The table shows the levels of awareness regarding real estate crowdfunding among respondents. A significant portion (40%) is somewhat aware, indicating moderate familiarity with the concept. Fully aware individuals account for 30%, showing a strong understanding among nearly a third of the respondents. Meanwhile, 20% are newly aware, suggesting recent exposure, and 10% are not aware at all. This indicates that while awareness is relatively widespread, there is still room for increased education and outreach in this area.
17. The data in the table highlights the key issues faced by investors in real estate crowdfunding. The most frequently reported concern is delayed returns, affecting 20% of respondents. This is followed by lack of updates (15%) and platform confusion (10%), indicating communication and usability challenges. Documentation issues are noted by 5% of investors. Notably, half of the respondents (50%) reported facing no issues, suggesting that while some challenges exist, a majority are generally satisfied with their investment experience.
18. Above table shows that most investors are satisfied with real estate crowdfunding, with 50% satisfied and 20% very satisfied. Only 10% reported dissatisfaction, indicating overall positive investor sentiment.
19. Above table highlights that most investors show a positive outlook toward future investment in real estate crowdfunding. About 40% are likely to invest again, while 35% are definite in their intent. A smaller portion, 15%, remain unsure
20. The data indicates that the majority of investors (45%) prefer to invest in the ₹50,000– ₹1,00,000 range. This is followed by 25% who favor the
21. ₹1,00,000–₹2,00,000 range, and 20% who invest below ₹50,000. Only 10% of investors prefer to invest amounts above ₹2,00,000, showing a conservative approach toward high-value investments in real estate crowdfunding.
22. The data reveals that transparency (4.6) and ease of use (4.5) are the most valued features by investors on real estate crowdfunding platforms. These are followed by return potential (4.3), customer support (4.1), and legal documentation (3.9), indicating that while all features are important, clarity and user experience are top priorities.

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## SUGGESTIONS

1. Real estate crowdfunding needs broader awareness among the public. Educating potential investors about the concept, its advantages, and the associated risks is essential to build confidence and participation.
2. The regulatory framework must be strengthened to protect investors and standardize practices across platforms. Clear guidelines will help reduce hesitation and encourage more developers and investors to participate.

3. Transparency on crowdfunding platforms should be improved by ensuring timely updates, financial reports, and clear risk disclosures. This builds trust and allows investors to make informed decisions.
4. User-friendly digital platforms are essential. Easy navigation, mobile access, and real-time dashboards will attract younger, tech-savvy investors who form the majority of the crowdfunding demographic.
5. Investor protection must be prioritized through safety mechanisms such as escrow accounts, milestone-based fund release, and third-party audits, ensuring that funds are secure and well-managed.
6. More efforts are needed to promote crowdfunding in smaller towns and semi-urban areas. Local developers should receive support and training to understand and use crowdfunding effectively.
7. Public-private partnerships can support the scaling of real estate crowdfunding, especially for infrastructure and affordable housing projects that benefit from wider financial participation.
8. Offering varied investment options in terms of property types and investment amounts allows individuals with different budgets and risk levels to engage comfortably in crowdfunding.

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## CONCLUSION

This study has explored the growing relevance and feasibility of real estate crowdfunding as an alternative financing model for regional developers, with a specific focus on CS Promoters & Builders in Hosur. The findings reveal that crowdfunding offers a promising avenue for democratizing real estate investment by enabling small and mid-sized investors

to participate in property development through digital platforms.

The analysis shows that when platforms maintain clear communication, deliver timely updates, and offer user-friendly experiences, investor satisfaction improves significantly. CS Promoters, like many regional developers, can benefit from integrating crowdfunding into their financing strategies by adopting a structured, transparent, and tech-driven approach.

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## DIRECTIONS FOR FUTURE RESEARCH

1. Study the long-term financial performance of crowdfunding projects, including returns, defaults, and completion rates.
2. Compare traditional real estate financing with crowdfunding to evaluate efficiency, scalability, and risk.
3. Analyze investor behavior, including risk perception, decision-making patterns, and emotional influences.
4. Explore the integration of emerging technologies like blockchain and AI to improve transparency and automation in crowdfunding.
5. Conduct regional studies in other semi-urban and tier-2 or tier-3 cities to assess scalability and adaptability of the model.

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## REFERENCES:

1. **Adams (2022)** explores how real estate crowdfunding is gaining traction in emerging markets like Africa and Asia, despite regulatory and financial literacy challenges.
2. **Baker (2023)** focuses on financial inclusion, showing how crowdfunding opens up real estate investment to people from diverse socio-economic backgrounds.
3. **Black (2022)** highlights legal complexities in international crowdfunding, particularly due to differing tax systems and regulations.
4. **Brown (2020)** discusses the growing trend of peer-to-peer lending, where individual investors bypass banks to finance property deals directly.
5. **Carter (2023)** emphasizes how crowdfunding democratizes property investment, enabling broader access to commercial and residential projects.
6. **Chen (2022)** delves into performance metrics like ROI and risk assessment to evaluate platform reliability.
7. **Clark (2021)** underlines the benefits of portfolio diversification through property investments across regions.
8. **Davis (2022)** highlights social advantages of crowdfunding in funding community-driven regeneration and affordable housing.
9. **Edwards (2020)** contrasts crowdfunding with traditional real estate investment, noting its benefits and risks such as faster funding but higher volatility.
10. **Fisher (2021)** explores how blockchain and smart contracts enhance transparency and security in crowdfunding platforms.
11. **Green (2020)** examines how crowdfunding supports eco-friendly and sustainable building projects.
12. **Harris (2022)** stresses the need for investor education to mitigate risks and improve financial decision-making.
13. **Hill (2021)** analyzes the rise of commercial property crowdfunding and the challenges in scaling such models.