

**EIA 3005 GRADUATION EXERCISE**

**HOUSE OWNERSHIP IN SELANGOR: A QUALITATIVE STUDY ON  
CONSUMERS PREFERENCES AND CHALLENGES**

**NUR SYAFIQAH BINTI PACKEER MOHAMED**  
**(EIA170130 & 17100792)**

**FACULTY OF ECONOMICS AND ADMINISTRATION**  
**UNIVERSITY OF MALAYA**

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## **DECLARATION OF ORIGINALITY OF WORK**

I admit that this Graduation Exercise is my own work except the information, excerpts and references used have been acknowledged. I also admit that the contents of the Graduation Exercise are original and have not been submitted to the University of Malaya or other institutions for any other purposes. I am solely responsible for all the contents of this Graduation Exercise. Faculty of Economics and Administration and University of Malaya shall be absolved from any form of legal actions arising from this research.

Signature :

Name: NUR SYAFIQAH BINTI PACKEER MOHAMED

Matric No.: EIA170130 & 17100792

Date: 4/6/2020

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## **ABSTRACT**

The residential real estate market in Selangor offers diverse house types following the fact that the state has highest number of workers. It is important for a proper decision-making process by taking consider a few factors such as financial and neighbourhood factors in a house purchase. Based on residential housing market data in Selangor, Petaling district was found to have the most purchases and the 2 to 2 and a half storey house type is the most purchased out of the variety, and there are also cases where there are completed houses that were not purchased by the residents, even in the lower price category. These data has been used as a base in forming the objective of the study which is to describe the factors that residents used in their decision-making model taken from consumer behaviour theory for house purchases based on location and type, and to determine the presence of challenges in preferred first house purchase along with the factors affecting it in Selangor. For this, qualitative analysis was done using phenomenological method by interviewing about 6 house owners in Selangor who were chosen using purposive and snowball sampling.

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## **CHAPTER 1: BACKGROUND OF THE STUDY**

### **1.1 INTRODUCTION**

The real estate market is one of the markets with lucrative returns for people who decide to invest in it, at all parts of the world. Real estate is basically real property, referring to all property that is made up of lands, buildings, and natural resources on the land. This shows that literally, real estate constitutes of touchable or tangible items. One of the categories under the real estate market is residential real estate, which is the focus of this study.

Residential real estate includes newly constructing and already constructed homes which provide as a shelter for most of the families and an extra income source for the families who own more than one house, which most of them will put the remaining house for rent. There are a few types of residential houses which includes single-family house, multi-family house, condominiums, townhouses and also cooperatives. These are general types of residential houses which basically exists in most of the developing and developed countries. In Malaysia, there are at least 10 types of residential homes, which consists of bungalow or mansions; semi-detached or detached houses; terrace or link houses; townhouse; apartment and flat; condominium; penthouse; mixed-use development which refers to residential area on top of commercial buildings; and shophouses. The availability of all these types of homes depends on the location. Rural areas normally do not consist of condominium and penthouse, these kinds of homes are what most developers build in a city packed with industrial buildings and higher number of people living in it, such as Kuala Lumpur.

The press release from National Property Information Centre (NAPIC) on 30th of April 2019 stated that there were about 197385 units of residential property were sold in 2018. The value of the total transaction was recorded about RM 68.75 billion. The market in 2018 witnessed an increase of 1.4% in transactions' amount, and 0.4% in transactions' value, although the number of unsold residential property units increased in 2018 about 30.6% with 27% increase in the value compared to the year 2017. This excess supply of residential property that went unsold comprises mainly condominiums and apartments for about 14031 units out of 32313 units in 2018. However, the housing price still witnessed a steady increase, with the Malaysian Housing Price Index (MHPI) recording an increase of 3.1 points in 2018 compared to that of 2017, with terrace house recording the highest increase in price as always.



This clearly means a positive growth in the residential real estate market in our country.

The growth in residential real estate market undoubtedly happens due to strategic planning from the real estate companies, along with the agents and financial institutions playing their respective parts. However, a huge part of the growth is also due to the consumers' behaviour to the market on the different types of houses at each area. The current market too, both directly and indirectly impact on the consumers' ability to own a house despite the huge amount of existing house supplies each year, which will be one of the focus of this study.

## **1.2 PROBLEM STATEMENT**

One of the important components of this market is the residential real estate agents, which comprises sellers' agent who helps houses to be sold and buyers' agent who helps buyer find the right house based on their need. Homeownership is what being sought the most currently. To own a house, most people will opt for mortgage - a legal agreement between a bank or any financial institutions and a client, where a percentage of house value will be lent by bank to the client, with the bank having possession over the house until the client settles paying the debt, that is the money lent by bank for the house, with the agreed interest payment. A house purchase also involves stamp duty – the duty on legal documents and bank loans – of which amount will be set by the government. Government is also important for the regulation of housing prices and planning in order to be able to cater most of the residents in the country and ensure the stability of the market. This shows that apart from the agents and the real estate companies, financial institutions and government are also playing an important role in this market. These role players in the market are believed to be affecting the home purchases based on the type and location in entire Malaysia.

In 2018, based on the labour forces' principal statistics, Selangor has the highest number of labour forces in entire Malaysia, about 3546300, of which about 3446700 is employed. This shows that the state is indeed packed with many workers, who are the potential buyers or owners of residential houses in this state. Based on Selangor residential property transaction data for the first quarter of 2019, the highest transaction was recorded for 2 to 2 and a half storey terrace houses for a total of 3809 units, while the lowest transaction is recorded for cluster houses about 85 units. The district with the highest residential property transaction is Petaling, with total amount of 4022 units sold of all types, while the lowest transaction is about 84 units recorded in Sabak Bernam. Petaling district holds highest number of transactions for most of

the types. The fact that only Petaling district holds the highest number of transactions for most type of housing and only 2 to 2 and a half storey terraces is mostly bought is something interesting that we need to ponder upon.

Moreover, in the first quarter of 2019, there was recorded about 32936 units of constructed residential properties left unsold in entire Malaysia, comprised mostly by semi-detached, detached and 1 to 3 storey terrace houses. By price range, highest amount was recorded for houses with price range of RM 300001 to RM 500000, with 8337 units unsold. If the price was the concern for such amount of overhang units, from the record, about 4567 units of houses with price range below RM 200000 also went unsold in 2019. Even Selangor itself, there were about 4243 residential houses of all price range went unsold. With such excess supply of houses of all price range in entire Malaysia, why is there still people with no own houses, especially preferred own houses? The fact that there are many parties involved and many costs involved in a purchase of a house may have explained it a little, however, specifically in Selangor, what are the exact factors that are affecting the purchase of preferred first home based on the types and locations chosen by the residents?

### **1.3 RESEARCH OBJECTIVE**

Earlier, the data of residential property transaction collected in Selangor showed a high variety in the houses' types and location purchased by its residents and also a number of unsold houses. This has brought to the main objective of this study which is to carry out an analysis on the rationale behind the decisions made by consumers in residential real estate market. The specific objectives are as following:

1. To describe the factors that are affecting consumers' choices of house location and types in Selangor.
2. To indicate the presence of challenges in purchasing preferred first house in Selangor.
3. To determine and describe the factors that affect the challenges in purchasing preferred first house face by Selangor residents.

### **1.4 RESEARCH QUESTION**

With the fact that Selangor residents choose houses of different types and location and that there are unsold houses even at lower price category brings us to the main question of the factors considered by consumers in their house purchase decisions. The sub questions arising for the problem stated can be broken down as following:

1. What are the factors influencing consumers' choices of house location and types in Selangor?
2. Did the residents of Selangor face any challenges in buying preferred first house?
3. What are the factors affecting the challenges of purchasing preferred first house faced by Selangor residents?

### **1.5 SCOPE OF THE STUDY**

This research only focuses on the residential real estate market in Selangor. As this research is focusing on the demand side of the houses rather than the supply, especially when there are cases of oversupply of houses in Selangor that are not filled by the customers, therefore, only customers or purchasers of houses in Selangor will be the focus group of the study and not the sellers.

### **1.6 ORGANIZATION OF CHAPTERS**

The organization of chapters in this research starts with background of the study being the first chapter. This chapter encloses introduction, problem statement, research question, research objective, scope of study, significance and also limitations the study. Second chapter is on literature review on factors influencing in a house purchase decision and also the challenges in purchasing first house. Third chapter is on methodology that is focusing on methods and design of research, sampling, data collection and analysis, as well as interview protocols. Chapter 4 is on data analysis and discussion which encloses detailed explanation on factors influencing the interviewees' house purchase decision and the challenges faced by them in purchasing most preferred first house. Finally, this research ends with conclusion being the fifth chapter.

### **1.7 SIGNIFICANCE OF THE RESEARCH**

This research serves on different home purchase experiences which are affected by each consumers' behaviour, making each individual home purchase decisions different from one another. Readers will be able to understand why someone buys an apartment in the city centre and another person buys 1 to 1 and a half terrace house in a place 10 kilometres away from the city centre despite having similar financial ability and working at the same place. The research too will be talking about first home purchase challenges which are rarely made as research in Malaysia. As this is qualitative research, readers will be at advantages as they can understand properly

on this matter as most research on the same topic are quantitative research which is not as descriptive.

### **1.8 LIMITATIONS OF THE STUDY**

The first limitation of this study is the time constraint. Due to time constraint, only a few types of houses' owners were able to be reached. This has made the research to only focus on the several factors considered by these house owners, where there are chance for more factors to be recorded if more house types were able to be brought in. Travelling too were limited only to several reachable areas due to this reason.

The second limitation is the interviewees itself, as most of them only mentioned the main factor. The other factors were only stated when further questions on it were asked. A student who lacks in interviewing skills may not be able to record the most points due to this reason.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

This chapter focuses on the application of the consumer behaviour theory in residential real estate market specifically for house owners in Selangor. The decision-making model formed under the theory of consumer behaviour is believed to be used by purchasers of houses in the market, therefore, a review on theory is presented as it acts as the base of this research. The next part of this chapter is on the review of factors used by consumers in this market in various countries and for various housing types, while the third part will be a review on the challenges faced in house purchases and factors affecting it.

### **2.2 THEORY OF CONSUMER BEHAVIOUR ON DECISION MAKING MODEL**

Gibler and Nelson (2003) stated that consumer behaviour studies the behaviour of people towards many choices of an item and the reason for them to behave in such way. Information search, evaluation of alternatives and decision rules are three key elements from three comprehensive models that can be used to evaluate decisions of consumers in this market. Information search is what consumers do first in order to get their need satisfied with the highest level of utility, which includes both internal information and external information search. Evaluation of alternatives involves the action of consumers narrowing down the number of alternatives of houses which is later known as consideration set, of which consumers use a few important criteria, to reach one final decision to purchase which house. Decision rule, the third element is later used to evaluate the alternatives and make a final decision. There are noncompensatory decision rule that involves eliminating as much possible alternatives that do not satisfy minimum level, and compensatory decision rule which involves assigning importance-based values on all determinant attributes in property purchase and choosing the property with highest summed up value. Gibler and Nelson (2003) further added difference in individual behaviour is caused mainly by internal determinants such as motivations, attitudes, perception, personality, self-concept, and lifestyles, and external determinants such as culture, subculture, social class, reference group, and family.

Koklic and Vida (2009) used the model differently, where the internal factors shown were such as involvement, feelings, experience, motivation and personality; and external factors such as culture, subculture, reference groups, family, social class and demography, which is said to form lifestyle and self-concept. These two formed

factors are seen to be forming goals through preferences, which later effects the whole comprehensive model of consumer behaviour discussed earlier. Attitude towards the alternatives using criteria is one of the steps of decision making, and not internal factor. This consumer behaviour model entirely is believed to be the base of this study on home purchase intention factors.

### **2.3 CONTRIBUTING FACTORS TO CONSUMERS' CHOICE OF RESIDENTIAL HOUSE LOCATION AND TYPE**

There are a quite many quantitative studies which researched about the factors affecting house purchase decision. One of it is the study on factors on physical characteristics of houses bought at Surabaya by Aryani and Tu (2016). The study proved that family weekend activities, psychological needs and age group affects the houses size and type. Those who prefer togetherness goes for larger house, ease of connecting goes to clustered house, and those who have the psychology problem of showing up their identity goes to lesser density house area. According to a study by Puvaneswary, Khan, Nur Hafizah, Sheelah and Nurhayati (2019) location factors such as distance to the best job, and the availability of shops, retail centres, public infrastructures and schools are also affecting home purchase preferences, specifically in Kuala Lumpur.

Koklic and Vida (2009) interviewed both owners and potential buyers of custom-made prefabricated houses found that both internal and external factors affect the buying behaviour for such house by forming attitude which later helps in the purchase decision. This attitude towards behaviour factor in real estate purchase decision is also supported in the research in Saudi Arabia by Al-Nahdi, Ghazzawi and Abu Bakar (2015) and in Thailand by Sangkakoon, Ngarmyarn and Panichpathom (2014). The later research in Thailand also confirmed the influence of family and friends in house purchase intention by ranking first children, followed by spouse, parents and friends consecutively. Apart from attitude, emotion factor is also influencing the decision by making the buyers purchase a house that they feel right apart from all the other factors, (Levy, Murphy and Lee, 2008). The emotion factor is also confirmed by Anastasia and Suwiro (2015) who found it to be important for those who decide to purchase property to live in rather than for investment, also supported by research in France in terms of apartment purchases by Andrew and Larceneux (2018). Al-Nahdi, Habib and Albdour (2015) found that subjective norms which is formed by the influence of others' attitude towards the behaviour is also a factor in this. The influence of others', especially friends, is also found to be affecting the house purchase in the case of Dar-Es-Salaam, (Shaidi, 2016). This is supported by

Karunarathne and Ariyawansa (2015), who also found that real self-image is also influencing house purchase, as buyers want their house to reflect their identity. Expectation of what is going to happen in future of housing market too may impact in house purchase intention, (Jalil, Samsudin, Tha, Abdul and Hashim, 2018).

Apart from that, Ismail, Nawawi and Saat (2012) found that house owners would to relocate to other house based on factors such as mainly family, schooling or education and also for lifestyle reasons, with aspects such as easy ownership, reasonable price, size of house, neighbourhood and location taken as consideration in purchasing another house. This is supported by Mang, Zainal and Mat Radzuan (2018) who found that family size, apart from marital status, education quality, age, and occupation does play role in deciding the location of house as to be nearer to workplace, main street and school. The same demographic criteria are also found to impact in purchase decision in Wuhan's residential real estate market, in which influence of factors such as facilities and services surrounding location, aesthetic, environment, house design and service quality are evident too, (Zeng, 2013). The age factor is further explained in research by Kam, Lim, Al-Obaidi and Lim (2018) which explained that value and lifestyle of Generation Y has made them to consider house age, utilization of green concept, safety and cleanliness of the neighbourhood, and, proximity to workplace and eatery in a purchase of a house, which the older generation may not really consider, while a study by Ho, Goh and Ting (2018) found that attitude, perceived behaviour control, locational attributes and subjective norms are most significantly and positively impacting the purchase intention of affordable housing among Generation Y in Malaysia. Fernando (2016) found that there are differences and similarities in demographic factors of house buyers from residential developers which can be used to change decisions in housing investments. There is also difference in perception towards product attributes among different races, where Malay is found to give more importance towards promotional and price factor compared to Chinese, (Chong, Sia, Cheong and Ooi, 2012). The wealth of a person too is affecting the perception towards products attribute, where in China, it was evident that those who are wealthier does not prefer buying house near public transports compared to those who are less wealthy, (Yang, Chau and Wang, 2019).

There are also differences in factors considered in terms of places. Chia, Harun, Mohd Kassim, Martin and Kepal (2016) who also used buyer behaviour model theory in the study found that financing factors such as the price; distance to workplace, school and business centre; house features such as quality of construction, time taken for construction and the size; superstition in terms of number;

and environment such as away from pollution, all affect the home purchase decision in Kota Kinabalu. This is also supported Chin (2016) based on house purchase intention in Setia Alam which indicated that there is a relationship between property purchase intention with property view such as exterior, layout plan, location, and view; property surrounding such as environment, security, distance and facilities; and property attribute such as price, type, design, finishing, age and house title. Si (2012) in her study in Vietnam also supported the previous studies that local environment, financial ability, private living space, distance factors and house features positively impact the decision-making process to buy a house, which is also found to be true in research by Mariadas, Abdullah and Abdullah (2019) in Selangor that by ranking, financial, neighbourhood and location factor is important in purchase decision of residential house, and in the research by Rachmawati, Shukri, Azam and Khatibi (2019) which confirmed the factors, by ranking, location, price, property quality, corporate image and promotion, in house purchase. Rizal, Adam and Ibrahim (2017) also found the significant role of price, location and design of a house, either all together or partly, on the purchase intention in Banda Aceh City, while a research in Australia by Ratchatakulpat, Miller and Marchant (2009) confirmed on the main factors such as interior design, affordability and neighbourhood in house purchase for both purposes of living in and for investment. A study by Kanjanawattanawong (2014) on the important of marketing mix in house purchase found that price, product, place and promotion factors are all important in influencing its customers, which can conclude all the factors found in various nations.

Apart from the houses with land such as terrace house, apartments and flats are also demanding. Kamal and Pramanik (2015) found that in Dhaka City, Bangladesh, there are 6 factors that affect the purchase of apartment strongly, such as apartment facilities, specifically children playground and apartments' mini town; surrounding environment, physical quality such as the drainage system; location of the apartment, nearer distance to educational institution and transportation facilities, promotional activities and reasonable price factors. All these factors except environmental issue and promotion factors are found to have significant relationship with buying attitude for apartments in Dhaka. Mollah, Haque and Pasha (2009) stated that the customers considers buying an apartment as it is an easier, lesser risk and lesser cost option to own a home, and they can also increase living standard by doing so. In their study, they also found that people prefer the area with better environment and security facilities in purchasing apartment. But, for luxury condominiums apartments purchase in Colombia, the property attribute that is considered mainly is



if the property has a legal status, followed by quality of finishes and space, which is understandable following the higher cost involved in the purchase, (Silva and Fraser, 2016). Chung and Park (2006) added that for super-high-rise buildings, most people who wanted to purchase higher floor decides mostly based on the property attributes such as the convenient amenities, investment prospect, convenient and closer public transportation, nice view and also adjacent parking. According to Manivannan and Somasundram (2014), in Tamil Nadu, by ranking, the most influential factor in flats purchase is basic amenities, followed by financial and a few other. Out of all the variables assigned for each factor, the variable water supply, sewerage system and security from crime scored highest mean which indicates the importance of these three for people of Tamil Nadu following the issues happening there.

All these factors are found to be impacting houses type and also the location. These factors will be analysed later based on our interviewees responds.

## **2.4 CHALLENGES OF CITIZENS IN PURCHASING PREFERRED FIRST HOME**

In order to own a preferred first home, several considerations must be made, which may include neighbourhood and financial factors mainly (Mariadas, Abdullah and Abdullah, 2019). However, buying a preferred first home is not as easy as it seems, as it comes with financial commitments, for instance, a person who is not really wealthy would have to borrow more from private loan to purchase the house he wants, (Yoko, 2000). Ismail, Nawawi and Saat (2012) found that most of the respondents least considered the option for investment in buying future house as most of them wanted to upgrade their house to a better type soon in the same locality, proving the difficulty in purchasing preferred first home.

According to Kupke and Marano (2004), most people who are having lower income per week and are finding it difficult in terms of financial wellbeing will have to take up the maximum loan and therefore, had to settle for cheaper houses. Concerns about job security are said to influence the purchase decision by making people look for lower price range house, obtaining loan from banks, taking longer time to look for a house and buying cheaper houses. But, the new first homeowners with lowest pay and who had to borrow the most are mostly at risk of job insecurity, impacting on purchase of home with lower cost. This is also supported in a research by Ahmad Ariffian, Hasmah and Norhaslina (2010), which stated that oppositely, higher monthly income and higher number of earners in a household along with higher level of education brings to the purchase of highly affordable houses. This is further supported by Kupke (2008) through her research where a delay in purchase of first home is to

happen mainly due to financial reasons, such as inadequate deposit saving and lack of houses that are affordable especially for those who earns lower than 500 Australian Dollars. Those within this income level is also found to purchase a house due to lack of alternatives following lack of affordable rental houses.

Furthermore, the affordability of housing is indeed impacting house purchase intention and a delay in the purchase, (Jalil, Samsudin, Tha, Abdul and Hashim, 2018). Further supported by Zainon, Mohd-Rahim, Sulaiman, Abd-Karim and Hamzah (2017) that people with income lower than RM 2000 has less opportunity to get the housing scheme due to expensive house prices and interest rate that are high, making them hard to get loan to own a home. In Saudi, those earning less than 3000 Saudi Riyal per month can only make a payment of less than 1000 Saudi Riyal per month if they were to take mortgage, (Opoku and Abdul-Muhmin, 2013). Besar, Fauzi and Ghazali (2012) stated that the availability of governments' cheaper housing project in Malaysia may help those with lower income to own a house, however, privacy invasion is an unavoidable problem due to the housing plan, which shows the lack of options faced by this income group. Nur, Mohamed, Aizul and Zainai (2018) stated that although the popular Sell than Build (STB) delivery system is famous for its affordable house prices, this cannot be applied in places like Klang Valley due to the high-priced lands following the increasing residential demand in such urban area. Mollah, Haque and Pasha (2009) found that there is a relationship between area preferences and the apartment over land choice reasons. The apartment over land choice reasons is also stated to be related to problems faced by people, which may explain that people go for apartments when their other preferred type of house is not easy and affordable to be bought.

Here, we can see that these factors are influencing the purchase of first home, where it influences in the matter of ability to own a highly preferred first home. It also brings to the idea that there is indeed difficulty in purchasing preferred first home, which will be analysed from the responds that are to be received during interview sessions later.

## **2.5 CONCLUSION**

To conclude, this chapter talked on the consumer behaviour theory which formed the decision-making model process of information search, evaluation of alternatives and decision rules. There are various factors found to be leading to house purchase of various types and at various locations at all over the world which can be also applied in Selangor. In terms of difficulties in purchasing preferred first house,

most of the research found financial aspect to be the main factor leading to such difficulty. These researched factors are what considered in the decision-making model to reach one final purchase decision.

Universiti Malaya

## CHAPTER 3: RESEARCH METHODOLOGY

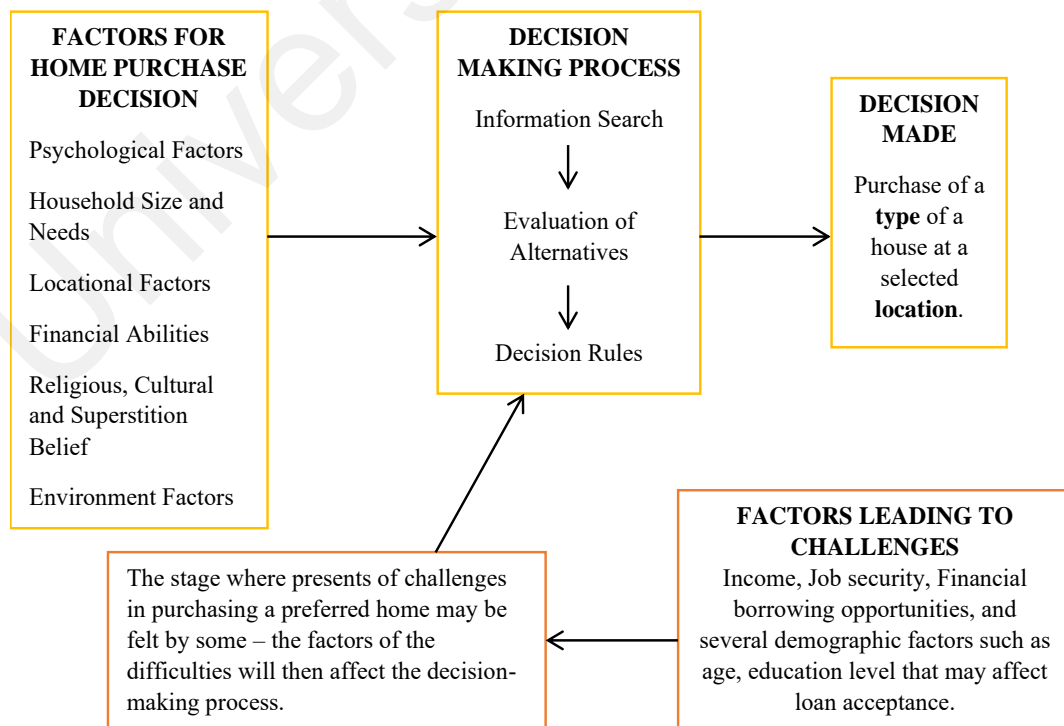
### 3.1 INTRODUCTION

This chapter discusses on the research design and method along with basic conceptual framework. The population for this study and the sample along with the sampling technique are explained in detail. Lastly, this chapter also sets out the process of data analysing, data collection and also the interview protocol.

### 3.2 RESEARCH DESIGN

This research used qualitative research approach in order to be able to describe the residential real estate market from the perspective of consumer behaviour. This research is intended to provide descriptive discussions on the factors acknowledged by the consumers when making home purchase decisions, therefore, phenomenological method was used. Phenomenological method is based on the perspectives and experiences of the respondents, therefore, it fits the research as it is focusing on the house purchase experiences of the consumers. The decision-making model presented in the theory of consumer behaviour model were used as basic for this study. This can be shown in Figure 1, the conceptual framework for this research.

**Figure 1 : Conceptual Framework of Research**



**Source: Literature Review of the Research**

The framework in Figure 1 above shows expected factors of focus for this research based on the literature review done. The conceptual framework will be redrawn after data analysis of the interviews with the factors stated and confirmed by chosen respondents.

### **3.3 POPULATION, SAMPLE OF STUDY AND SAMPLING PROCEDURE**

The population for this research is the entire residents of Selangor. The sampling technique used in order to choose representatives from the huge population is purposeful sampling and snowball sampling. The criteria of respondents needed for this research is that they must be homeowners in Selangor, with no limit on age or years of ownership, as everyone who owns a house in Selangor would be able to contribute to this research. The first respondent was chosen based on purposeful sampling using the criteria stated and the remaining respondents were chosen using both purposeful sampling which refers to researcher searching for respondents on their own based on criteria and snowball sampling which refers to the earlier respondents suggesting others who might be able to contribute in the research as well.

About 6 respondents were chosen for this research, where 3 of them are owners of landed properties, while remaining 3 of them are owners of properties in high rise buildings. This constitution of respondents is to capture as much diversity possible in the factors considered in house purchase and challenges faced. The number of respondents was decided based on the suggestion by Morse (1994) and Cresswell (1998) for phenomenological studies, where the former suggested 6 at least and the later suggested between 5 to 20. The sampling stopped at 6 respondents as to prevent further information redundancy. Information redundancy stated here is referring to situation when no more new or extra factors of home purchase decisions can be recorded by increasing the number of respondents interviewed. In this research, most of the factors stated by all respondents or interviewees were similar, and so, it was expected that there are no chance of new factors to be recorded if the sampling were to continue after these 6 respondents.

### **3.4 DATA COLLECTION**

Data was collected for this research through interview with the selected respondents, as it suited the phenomenological method chosen for this research. The open-ended interview questions were pre-set to match the research questions. However, several questions were asked spontaneously apart from the pre-set question hearing the

respondents' answers, to help in describing each factor stated pertaining to each one's purchasing experience. Data analysis was done each time after the interview session with each respondent to confirm on when to stop sampling.

### **3.5 DATA ANALYSIS**

The data analysis started after each interview session, where all the data that have been collected were converted into proper textual form, which were later divided into groups based on the research questions and objectives. Thirdly, data coding was done, in the form of open and axial coding. After that, the research was made sure to be valid and reliable in terms of the results. Validity refers to the extent the research results are believable and correct, while reliability refers to the extent the research results are consistent, as in producing the same results when the research of the same topic is repeated. Finally, all the data collected were combined and concluded.

### **3.6 INTERVIEW PROTOCOL**

The interview process was done face-to-face with the chosen respondents at the place each of the respondents agreed to have an interview at, for a period of 15 to 30 minutes. The period of interview depended fully on interviewing skills and participants' skills of articulating. Ethical considerations were made as it involves the public for the interview process. All the respondents were first given complete explanation on the research and they were later given choice whether to participate or not. Their identity or personal information that are not relevant for the research are not publicized in this research, and they were made aware of the fact that they are free to end the session any time.

The whole interview session with each of the respondents were audio-recorded in order to help in proper data collection and analysis. Their contact numbers were also asked, with their consent, in order to confirm on any details that were found to be incomplete.

Questions were asked are on their attributes of their dream house, and factors of consideration made when purchasing the house they own currently. Later on, questions on challenges in purchasing preferred first house were asked as well, along with the factors influencing the challenges they faced.

### **3.7 CONCLUSION**

To conclude, this research used qualitative design and phenomenological method. The population for this research is the entire residents of Selangor, while the sample chosen are the owners of house in Selangor. The sample or representatives of about 6 were chosen using purposeful sampling and snowball sampling method. The collection of data was done through interview session with the representatives with a stated protocol for it, while the data analysis happened after each interview session in order to form the theme, axial and open coding. With consent from the respondents, questions regarding the objectives stated earlier were asked to them in the interview session and that brought to the data analysis process that concluded the objectives and questions of this study in the next two chapters.

## **CHAPTER 4: RESULTS ANALYSIS AND DISCUSSION**

### **4.1 INTRODUCTION**

This chapter first describes the sociodemographic characteristics of all the 6 interviewees, such as on their age, job, and so on. After that, the themes are discussed in general and specifically as well. The first part of themes discussion would be on the factors considered when purchasing the house they own, while the second part of themes discussion would be on the factors of challenges faced when purchasing preferred first house. Respondents are referred as interviewees in this chapter following the data collection method of interview.

### **4.2 SOCIODEMOGRAPHIC CHARACTERISTICS OF INTERVIEWEE**

There are 6 interviewees of different sociodemographic characteristics which is described as following. Income group is used to define the income received by the interviewees without disclosing the right amount to respect interviewees' sensitivity. B40 or Bottom 40% refer to people receiving less than RM 4360 income per month, while M40 or Middle 40% refer to people receiving income per month between RM 4360 and RM 9619. T20 or Top 20% refer to people receiving more than RM 9619 income per month. The percentage stated in the classification name refers to the percentage of people in Malaysia receiving income range as stated. This information is stated to analyse better the financial ability of each interviewees.

The first interviewee is Mrs. Aisyah who is 70 years old this year and is not working now. She is from income group of M40 as her late husband owned a small grocery store in Shah Alam and she helped her husband in handling that business back then, until 20 years ago. The business was closed a few years after the passing of her late husband. The house they bought is a middle-cost terrace house located in Shah Alam, that is slightly away from the city center. Mrs. Aisyah and her late husband bought this house when she was 43 years old. The number of family members staying in that house at the time of purchase is about 5, both the partners including their 3 children.

The second interviewee is Mr. Ahmad, the son of Mrs. Aisyah, who now stays in a different house with his own family. Mr. Ahmad is currently 46 years old, owning a firm selling leather products, including stationary items, in Kuala Lumpur. He is under the income group M40. The house that he purchased is a high-cost double-storey terrace house located in Shah Alam as well, but in a different area from his parents'. His house is also located at outskirts of Shah Alam, bought when he was 32



years old, using his income as his wife is not working. The number of households in his family is 5 as well, he himself, his wife and his 3 school-age kids.

Third interviewee is Mrs. Maria, a 34-year-old woman who previously worked as a data entry clerk at a company at Glenmarie area. She is previously considered as a household from the income group B40. Mrs. Maria previously had a failed marriage, with which partner she bought the house that she owns now. However, as the house that she bought with her ex-husband is the house that she owns personally now, this research will still focus on that house purchase. This research will analyse only from her perspective which is believed to represent both of theirs'. The house that she owns is a middle-cost apartment located at outskirts of Saujana Putra area, Kuala Langat, bought when she was 25 years old, 3 years after she started working. The number of households at the time of purchase is 3, including her ex-husband and her first son.

Mrs. Meera is our fourth interviewee who is 51 years old housewife. Her husband, who is the main person purchasing the house, is a 56-year-old bus captain, working at Depoh Bas Rapid KL in Batu Caves. Their household is under the income group B40. The house purchased by them is a middle-cost apartment in Bukit Beruntung, Rawang, located away from the town of Bukit Beruntung. Previously, the couple owned a low-cost flat in Damansara Damai, in which the family stayed only for about 12 years. But, later, they decided to shift to the current apartment that they own due to various problems encountered in their first house. They sold the house later, and while waiting for the current apartment to complete its construction, they rented a house in Selayang for 5 years. The new apartment was bought when Mrs. Meera and her husband were 46 and 51 years old, respectively. The number of households is about 4 persons, including their 2 daughters. Although the main source of finance used to purchase this house is from her husband's, as Mrs. Meera took equal part in the house purchase decision, the analysis would only take her perspective without her husbands, and it would take account only the purchase of the current house they own mostly.

The fifth interviewee is Mr. Mano, a 49-year-old technician working in an international company at Section 13, Petaling Jaya. He is from the income group M40. The house he currently owns is a middle-cost double-storey house, located in Sungai Buloh, and the housing area is considered suburban. The house is bought when he was 29 years old. This is the second house bought by Mr. Mano. The first house is located in the same place, a double-storey house as well, but the space is much

smaller than the current house that they own. 2 years after staying in the first house bought, his family decided to shift to other house built in the same area with the bigger space that they needed. Therefore, the analysis will focus on the current house purchase decision, which in a way also represents their first bought house's purchase experience. In Mr. Mano's family, there is about 4 of them, which includes his wife, his 2 childrens.

Last interviewee is Miss Devi, working as Human Resource Officer at a private company in Cheras. She is currently 50 years old and is from the income group M40. The house that she owns is a middle-cost apartment at Desa Tasik, Sungai Besi. The apartment area is in the urban area. Miss Devi bought this house when she was 42 years old, and she lives alone in this house, as she is single. Miss Devi was previously married, and bought a house together with her ex-husband, 20 years back. After they parted their ways, the house bought by them is sold and the divided cash from the sale was used by Ms. Devi for current purchase. Therefore, Miss Devi considers the current house as her first house and so, the analysis would be based on the current apartment that she owns.

All the details stated about them are made with their consent. The Table 1 in the following page serves as a summary of sociodemographic characteristics of the interviewees.

**Table 1: Summary of Sociodemographic Characteristics of Interviewees**

Details	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4	Interviewee 5	Interviewee 6
<b>Name</b>	Mrs. Aisyah	Mr. Ahmad	Mrs. Maria	Mrs. Meera	Mr. Mano	Ms. Devi
<b>Age</b>	70 years old	46 years old	34 years old	51 years old	49 years old	50 years old
<b>Marital Status</b>	Widow (Married at the time of purchase)	Married	Married	Married	Married	Single/Divorced
<b>Religion</b>	Islam	Islam	Islam	Islam	Hindu	Hindu
<b>Income Group</b>	M40	M40	B40	B40	M40	M40
<b>Job</b>	Own grocery store helper	Own business Manager	Data Entry Clerk	Housewife (Husband is a bus captain)	Technician	Human Resources Officer
<b>Location of Job</b>	Shah Alam	Kuala Lumpur	Glenmarie	Batu Caves (Husband)	Petaling Jaya	Cheras
<b>Sector of Job</b>	Private Sector	Private Sector	Private Sector	Public Sector	Private Sector	Private Sector
<b>Type of house</b>	Middle-cost Single-Storey Terrace House	High-cost Double-Storey Terrace House	Middle-cost Apartment	Middle-Cost Apartment	Middle-cost Double-Storey Terrace House	Middle-cost Apartment
<b>House Location</b>	Shah Alam	Shah Alam	Kuala Langat	Rawang	Sungai Buloh	Sungai Besi
<b>Number of Household</b>	5	5	3	4	4	1

**Source: Interview Session with All the Interviewees**

### **4.3 FACTORS AFFECTING THE CONSUMERS' CHOICE ON HOUSE LOCATION AND TYPES IN SELANGOR**

In the interview session done with all the six interviewees, questions were asked on their dream or most preferred houses and also factors considered while deciding to purchase the house they own. Both of these questions were based on the house type and the location, from which themes that represents the factors considered are formed. The factors analysed are the themes under this section, and under each theme or factor, they are subthemes that represent division of aspects concerned under each stated factor.

#### **4.3.1 THEME 1: FINANCIAL ABILITY**

Financial ability factor is the main factor that is considered in the purchase of a house by all our six interviewees. There are different aspects under this factor that are presented as following. All these aspects are interrelated to income, and so each aspect represent the income factor as well.

##### **Subtheme 1: House Price**

Most of the interviewees stated that they bought the house they own currently mainly because of the house price, in terms of the affordability. The housing price factor is found evident even in the research done by many, namely Koklic and Vida (2009) in terms of prefabricated house purchase and Nawawi and Saat (2012) in house relocation decisions. Chong, Sia, Cheong and Ooi (2012) also found that different races has different weightage given on this factor. Apart from that, this factor is also supported in the studies done by Chia, Harun, Mohd Kassim, Martin and Kepal (2016), Chin (2016), Rachmawati, Shukri, Azam and Khatibi (2019), Rizal, Adam and Ibrahim (2017), and also by Ratchatakulpat, Miller and Marchant (2009). These aspects that is stated by the interviewees can be shown based on an excerpt from the interview session, as following below.

##### **a) Excerpt from Interview with Interviewee 1**

Interviewer: Okay, so, the first factor is space, as in house size need. In terms of the location, why did you choose the outskirts of Shah Alam? What is attractive about this place?

Mrs. Aisyah: I choose outskirts of Shah Alam because the price of this house was cheap and so, I liked this house. At the time of purchase, this area was yet to be developed. Only later, (after it is developed) this place was suitable for me.

**1: Mrs. Aisyah (01/Fin/Price)**

b) Excerpt from Interview with Interviewee 2

Interviewer: So, in terms of the corner lot double-storey terrace house that you have bought, what has made you to buy this house apart from other alternatives?

Mr. Ahmad: The house is suitable with my budget. The location was good.

**2: Mr. Ahmad (02/Fin/Price)**

c) Excerpt from Interview with Interviewee 3:

Interviewer: Do you have any difficulties in terms of the location? Such as any other place you preferred, or you had preference to buy house in Glenmarie considering you worked there?

Mrs. Maria: No.

Interviewer: You really do not have difficulties faced in the location, is it? You really wanted to get house farer than...

Mrs. Maria: Because Glenmarie is a bit packed area. The place was expensive at the time. Section 13, which is near to Glenmarie has many houses, but even the rent there is expensive. It is going to be very expensive if I want to buy there.

**3: Mrs. Maria (03/Fin/Price)**

Based on the excerpt from the interviews done with Mrs. Aisyah, Mr. Ahmad, and also Mrs. Maria, one of the reasons they bought the house is because of the affordable house price, compared to other alternative locations and types. Although the location of their house may not really be desirable for Mrs. Aisyah and Mrs. Maria especially, they decided to still purchase there as for the house price that they can afford. From this, it can be confirmed that there is link between location and pricing as shown in the studies by Chin (2016), also for the case of Mr. Ahmad as even his house is located in the outskirts of Shah Alam.

d) Excerpt from interview with Interviewee 4

Interviewer: But then, your dream house is a terrace house. So, I am sure you must have looked for a terrace house as well, but then, what have made you buy this one?

Mrs. Meera: Because, at that time, based on my budget, we can only afford this. And maybe in future, if God give me more *rezeki*, in sha Allah.

**4: Mrs. Meera (04/Fin/Price)**

Mrs. Meera also has purchased the house due to it being suitable to their budget, as in affordability. Although Mrs. Meera did not state about the location being linked to the cheaper price, based on the observation of the surrounding done while

en route to Mrs. Meera's house for the interview, the area is a little to the insides from the main town of Rawang, and quite less packed compared to the main town. Therefore, Chin (2016)'s study's finding can be confirmed in this case again. It can be concluded that all these four interviewees bought the houses at their respective places due to cheaper price that is associated with the location.

### **Subtheme 2: Loan Approvability and Paying Capability**

Apart from the house prices, some of the interviewees stated that the loan being approvable as the main reason of their house purchase. This often depends on the paying capability of an individual, as the banks often check details on the job and the salary which would show the ability to pay of the individuals. So, often the loan that is being approved are only for the houses that suits the payment capability of an individual considering it as a lifetime commitment. This factor is also found evident in studies by Yoko (2000), Kupke and Marano (2004), and by Ahmad Ariffian, Hasmah and Norhaslina (2010). All our interviewees did purchase using loan, however, only for some, the loan approvability and paying capability mattered. The evidence of this aspect based on the interviewees of this research is as shown by following.

#### **a) Excerpt from Interview with Interviewee 1**

Interviewer: This could be a bit personal but, why did you manage to buy a house only at the age of 43 years old and not earlier?

Mrs. Aisyah: Our financial problem. We were not able to take loan.

#### **5: Mrs. Aisyah (01/Fin/Loan)**

#### **b) Excerpt from Interview with Interviewee 3**

Interviewer: At the time you bought this house, you must have had some other alternatives, right? It is not always you wanted to buy an apartment. According to the budget, there must be other alternatives, but why did you choose this apartment at this place?

Mrs. Maria: Because we have had many loans not being approved. Before this, we did try for many other houses, but the loan was only approved for this house. A year before, we did try at a difference place but to no avail. Later, we just tried applying for loans for various houses until it got approval.

#### **6: Mrs. Maria (03/Fin/Loan)**

Based on the interview with Mrs. Aisyah, as the couple had a small business, they had quite low earning at the start of their business, and so, they had to wait until a period of time where they would be able to increase their earnings and capable to pay back to the bank for the loan, in order to buy the current house. While on Mrs.

Maria's case, as they are from B40 income group, they had a several other commitments to the bank, one of it being for the motorbike that they own. This has made the loan approvability for the house purchase being a problem and taking some time. Therefore, they had to keep trying to apply loan for different houses and finally managed to buy this current house. This lower income that is faced by both Mrs. Aisyah and Mrs. Maria, and the doubts on job security that we have found in Mrs. Aisyah's case is supported by Kupke and Marano (2004), which is found to be interrelated to loan approvability.

c) Excerpt from Interview with Interviewee 5

Interviewer: So, for your house purchase, what was the factors leading to that house purchase apart from other alternatives?

Mr. Mano: Financial abilities. That is number 1. Because you must know you are able to pay. House purchase is a lifetime commitment. So, you must commit to pay the instalment, it is very important.

**7: Mr. Mano (05/Fin/Loan)**

d) Excerpt from Interview with Interviewee 6

Interviewer: So, in your case, what factor has made you buy this middle-cost apartment?

Ms. Devi: This house was not that expensive, and I was able to pay for it. I also had the cash for the 10% payment that we need to pay on our own. So, I had that much amount of money and I managed to get loan for this house.

**8: Ms. Devi (06/Fin/Loan)**

Mr. Mano, on the other side, considered to have bought the house quite early in his 20s compared to others that can be attributed to the fact he focused on his paying capability and thus, found a house that he will be able to pay back the loan monthly. Ms. Devi on the other hand, focused on the house that loan will be approved with the amount of cash she had in order to pay the 10% downpayment requirement, and thus, found a house that is affordable to her. This is supported in study by Yoko (2000) who stated about the concerns of those who are not wealthy about borrowing from the banks, which is also supporting the case of Mrs. Aisyah and Mrs. Maria.

### **Subtheme 3: Savings or Amount of Cash in Hand**

Savings is also one of the important aspects that need to be considered especially by those who are making purchase of house using loans, as banks require down payment of the house price to be paid on own. Study by Kupke (2008) and Opoku and Abdul-Muhmin (2013) supports this factor affecting possible delay in

house purchase apart from lacking affordable houses. The interviewees that stated this factor are as shown as following.

a) Excerpt from Interview with Interviewee 1

Interviewer: So, you kept saving and saving until you find the right house?

Mrs. Aisyah: Ya, I had to have the saving for 10% downpayment, and then have to wait for a house and for the loan.

**9: Mrs. Aisyah (01/Fin/Savings)**

b) Excerpt from Interview with Interviewee 2

Interviewer: There are also people who buy right after they started working, in 2 to 3 years' time. But in your case, you really could buy a house at the age of 32 years old only, is it?

Mr. Ahmad: Yes, because I was not having much money before that. I had to do business first for the money.

**10: Mr. Ahmad (02/Fin/Savings)**

c) Excerpt from Interview with Interviewee 6

Interviewer: So, in your case, what factor has made you buy this middle-cost apartment?

Ms. Devi: This house was not that expensive, and I was able to pay for it. I also had the cash for the 10% payment that we need to pay on our own. So, I had that much amount of money and I managed to get loan for this house.

**11: Ms. Devi (06/Fin/Savings)**

The above three excerpts show us that for these three interviewees, savings was one of the reasons that had an impact in their house purchase. Like what Kupke (2008) stated, Mrs. Aisyah and Mr. Ahmad has had delay in their first house purchase due to the inadequate savings. While, for Ms. Devi, the amount of cash she had prepared for the 10% downpayment has impacted her in buying a middle-cost apartment.

#### **4.3.2 THEME 2: MOTIVATION TO OWN A HOUSE**

House purchase is undoubtedly a need for everyone. Although houses for rent are always available, having an own house is indeed the safest option for anyone, as they can avoid situations such as being asked to leave or raise of fees that may come with rented house. Therefore, people aim to own a house the soonest possible while they are earning. This motivation factor is supported in the study by Gibler and Nelson (2003) and Koklic and Vida (2009). Emotions is also involved in this, as most of the



time, a house purchase is often celebrated as the biggest achievement in one's life, as supported in the studies by Levy, Murphy and Lee (2008) and Suwitro (2015). Therefore, most of the time the "feels right" houses are opted than the houses that they prefer the most. The reference based on the interview session is as following.

a) Excerpt from Interview with Interviewee 1

Interviewer: When you bought the house, you stated that you were still not satisfied with some of the aspects of the housing area. So, in your case, I can conclude that purchasing a preferred first house was still hard. Because, although you wanted a terrace house,...

Mrs. Aisyah: Actually, because I wanted to have a house, does not matter anywhere.

**12: Mrs. Aisyah (01/Motive)**

From above excerpt, it is understandable that Mrs. Aisyah was motivated to have her own house considering she was aging as well, which is why she did not even care on the environment that is not satisfying for her. In further asked interview questions, she also stated that the fact she will have her own house and no need to rent anywhere was the main reason for such motivation.

b) Excerpt from Interview with Interviewee 3

Interviewer: At the time you bought this house, you must have had some other alternatives, right? It is not always you wanted to buy an apartment. According to the budget, there must be other alternatives, but why did you choose this apartment at this place?

Mrs. Maria: Because we have had many loans not being approved. Before this, we did try for many other houses, but the loan was only approved for this house. A year before, we did try at a difference place but to no avail. Later, we just tried applying for loans for various houses until it got approval.

**13: Mrs. Maria (03/Motive)**

Mrs. Maria and her ex-husband surely struggled with their income, being in the B40 income group that they had some other commitments with the bank as well such as for motorbike. This has made it a bit hard for them to secure a loan. Instead of giving up and waiting for a few years later, they kept trying to apply for loans for different houses in order for them to get a house and start living with their own small family.

c) Excerpt from Interview with Interviewee 6

Interviewer: Another thing. You dreamt to have condominium, but why do you think you were not able to buy a condominium?

Ms. Devi: Due to financial inability. My salary was not that high at the time. I was also desperate to buy a house. Due to that, I did not have much time to look for something I dreamt. So, I just got myself a house for a price that I can pay.

**14: Ms. Devi (06/Motive)**

Ms. Devi, based on above excerpt, who went through separation with her husband, surely had to find a permanent place for her to stay while working in Selangor after the separation. Although she dreamt of buying a condominium, she ended up with an apartment because of the urgent need of a house of her own, apart from her savings and paying capability.

**4.3.3 THEME 3: LOCATIONAL ATTRIBUTES**

For people who are working, house is a great escape from the stressful environment and an important and good place to get enough rest, therefore, location attributes are important. There are a few subthemes found under this theme which are to be discussed in detail.

**Subtheme 1: Facilities and Hassle-free Basic Needs Shopping**

Shops and retail centers that sell basic needs such as food or toiletries, also public facilities are often needed to be near within the housing area in order to avoid much movement after work or during weekends where most people would want to have some rest, especially in the current fast-moving era. Puvaneswary, Khan, Nur Hafizah, Sheelah and Nurhayati (2019), Mariadas, Abdullah and Abdullah (2019), Yang, Chau and Wang (2019), Ho, Goh and Ting (2018), Chia, Harun, Mohd Kassim, Martin and Kepal (2016), Rizal, Adam and Ibrahim (2017), Chin (2016), Kamal and Pramanik (2015), Zeng (2013), Nawawi and Saat (2012), Si (2012), Chung and Park (2006), and, Manivannan and Somasundram (2014) are the previous researchers that have found this very factor in their research. The excerpts from interview sessions that have brought to this factor is shown as following.

a) Excerpt from Interview with Interviewee 1

Interviewer: So, you love this housing area more now compared to before, I suppose.

Mrs. Aisyah: Yes, because of the available public transport, shopping malls and also mosque. Mosque was already here at the time I bought the house. There is also hospital here, it is a bit far, but somehow in a manageable distance.

**15: Mrs. Aisyah (01/Loc/Facility)**

b) Excerpt from Interview with Interviewee 2

Interviewer: So, first, what is the criteria of a perfect house?

Mr. Ahmad: Location, that is in being near to amenities, shops, and highways.

Interviewer: How about public transportation?

Mr. Ahmad: That could be one of the criteria too, as it will be easy for the kids to travel.

**16: Mr. Ahmad (02/Loc/Facility)**

c) Excerpt from Interview with Interviewee 3

Interviewer: So, you prefer a double-storey terrace house and farer from city.

Mrs. Maria: Yes. Another thing, importantly, the shops must be there. Shops selling our basic needs such as 99 Speedmart, especially.

**17: Mrs. Maria (03/Loc/Facility)**

d) Excerpt from Interview with Interviewee 4

Interviewer: What has made you buy this current house actually?

Mrs. Meera: When I came in to see this place, I liked it. There are shops and school nearby. We have Tesco at the town. It is going to be very easy with all this.

.....

Interviewer: As this is an apartment where there are many people, parking facility must be some important criteria as well I believe. So, how about the parking here?

Mrs. Meera: Parking facility is much better than my first house. We would still have parking available at late in the night, at least at other blocks.

**18: Mrs. Meera (04/Loc/Facility)**

e) Excerpt from Interview with Interviewee 6

Interviewee: Is there any other factor considered, maybe location?

Ms. Devi: Yes, location. I am still hoping on public transportation, therefore this place is really suitable for me as it is near to Terminal Bersepadu Selatan (TBS) and has LRT and KTM station.

**19: Ms. Devi (06/Loc/Facility)**

Almost all interviewee stated that they care for the available shops and retail centres that are near to their house. Mrs. Aisyah in her whole interview stated that at the time she bought the house, shopping malls and retail shops were not much in the area and were only available when the area developed few years later. Also, public transport such as Light Rail Transit (LRT) of the station Subang Alam coming in made her even happier with the place she is living currently. While, for Mr. Ahmad, the locational factor as such was considered indirectly, as he chose to buy a house in Shah Alam, which has already developed with necessary shops, nearer highways, and adequate public transportations, as per his dream house requirement. The nearest public transportations also made Ms. Devi to be satisfied with her house purchase as she is someone who is still using public transportation to work and travel to other places.

Mrs. Maria, similarly, liked her apartment mainly because there were a few shops occupying at the place already, especially when she has got the key, just like how she dreamt. Mrs. Meera too, in her purchase decision, heavily took the factor of the necessary shops, facilities and retail centres being near to the apartment she currently owns. Also, further interview with her also proven that one of the reasons made her to decide to shift to another house is none other than the lacking parking facility in her previous house. Therefore, she is much happier at her current apartment, as similar to findings by Chung and Park (2006) in terms of high-rise buildings.

**Subtheme 2: Distance to Working Place**

Type of jobs and the place of job too influences ones purchase decision, as found in works by Mariadas, Abdullah and Abdullah (2019), Puvaneswary, Khan, Nur Hafizah, Sheelah and Nurhayati (2019), Kam, Lim, Al-Obaidi and Lim (2018), Mang, Zainal and Mat Radzuan (2018), Chia, Harun, Mohd Kassim, Martin and Kepal (2016), Chin (2016), and Si (2012), apart from many other. However, in this research, this specific factor did not affect the home purchase directly. The excerpts shown below will explain why.

a) Excerpt from Interview with Interviewee 5

Interviewer: You are working at Section 13, Petaling Jaya, but why did you not buy any houses there and bought in Sungai Buloh instead?

Mr. Mano: The reason I bought the house is attributed to my job also. Because I am on a fieldwork, so I am not station in one place, and I have no issues to travel to work. So, for me, I did not really consider my workplace when I want to purchase the house, as my job is such, I can buy anywhere.

**20: Mr. Mano (05/Loc/Job)**

For Mr. Mano, based on the above excerpt, the fact that his work is based on a fieldwork, made him to not worry about the distance to workplace and thus, making him buy a house at Sungai Buloh based on his budget and liking.

b) Excerpt from Interview with Interviewee 6

Interviewer: Is this house is preferred by you only after you bought, or it was indeed your most preferred option?

Ms. Devi: After I bought this house. As my office too shifted to area nearer to this house, so I liked this house after I bought, as it was easy for me to go to work.

**21: Ms. Devi (06/Loc/Job)**

Ms. Devi's interview excerpt shows that her house purchase happened before her office shifted to a place nearer to her current house. Although she previously did not choose the location based on her workplace, the fact that she stated she prefers her current house more after the office shifted prove a fact that distance to work was indeed considered by her, but her budget made her decide on the purchase without taking into account distance to her workplace. It can be understand based on the above two excerpts that, although, the job factor was stated, it was on the indirect impact side, which can be due availability of highways, flyovers and public transportation, and importance that is given mainly to budget and other locational attributes.

**Subtheme 3: Surrounding Environment**

A house that we buy is something that we are going to live in forever, therefore, the environment must be made sure that it does not suffocate us. For an example, housing is surrounded by factories may not really be considered as compared to housing area surrounded by greeneries. This environment factor consideration is found evident in works by Kam, Lim, Al-Obaidi and Lim (2018), Chia, Harun, Mohd Kassim, Martin and Kepal (2016), Chin (2016), Zeng (2013), and, Mollah, Haque and

Pasha (2009). From the interview done, only one of the interviewees stated this very factor, as most of the other interviewee did not give much importance to the environment at the time of purchase as compared to other factors. This low importance given to environment may be due to age differences, as found by Kam, Lim, Al-Obaidi and Lim (2018).

a) Excerpt from Interview with Interviewee 5:

Interviewer: Apart from that, is there any other environmental or location attribute that led to the purchase of your house?

Mr. Mano: I will say yes, because it was surrounded with oil palm plantation. One of the reasons I bought there was it was surrounded with greeneries. So, I thought it would be nice to stay there.

#### **22: Mr. Mano (05/Loc/Environment)**

Based on the above excerpt, it is understood that Mr. Mano had an eye on the housing area for the greeneries surrounding the housing area. This environment factor is the indirect factor affecting his satisfaction of buying this house, as his main consideration was none other than financial ability and space. This low importance given to environment may be due to age differences, as found by Kam, Lim, Al-Obaidi and Lim (2018), as in different age group having difference preference on safe environment.

#### **4.3.4 THEME 4: HOUSEHOLD SIZE AND NEEDS**

These household size and needs of the households often shape the type of houses that the owner would go for, as currently, there is a need for the house to be spacious and comfortable for everyone, taking note on the need of privacy for adults as well. Based on the interview done, there are a few subfactors found under this theme shown as following.

##### **Subtheme 1: Family Size**

The factor of family size is what mainly affects in a house purchase, as in the type of house purchased. Currently, there is a growing need that each one of the kids to be provided with their own room for the sake of privacy. The reason for this could be the growing modernization and technology where it has brought to significant need of personal space, both for physical and mental health. This factor of family size relating to house size and type is also supported in research by Mang, Zainal and Mat Radzuan (2018), Aryani and Tu (2016), Chia, Harun, Mohd Kassim, Martin and Kepal



(2016), Zeng (2013), Ismail, Nawawi and Saat (2012), and Si (2012). The excerpts of interview supporting this factor is as shown following.

a) Excerpt from Interview with Interviewee 1

Interviewer: So, it means, you bought this end-lot house mainly to have more space?

Mrs. Aisyah: Yes. Because I have 3 kids and each of them must have a room. The house before renovation was with smaller rooms, so it was not spacious enough.

**23: Mrs. Aisyah (01/HH/Size)**

b) Excerpt from Interview with Interviewee 2

Interviewer: Why did you buy the end-lot house specifically, isn't it expensive than middle lots?

Mr. Ahmad: Because I wanted to renovate it to make it bigger, in order to fit my family size and my taste.

**24: Mr. Ahmad (02/HH/Size)**

Both Mrs. Aisyah, and Mr. Ahmad, based on the excerpts above, bought a house at the end-lot because of the ease of renovating the house based on their family size. Mrs. Aisyah decided to buy the house and renovate it in order to provide a spacious room for each of them. Even Mr. Ahmad, in the further interview, stated that a house must be spacious that each of the children must have their own rooms, which is what led to him buying the house he own, where he has the flexibility to renovate.

c) Excerpt from Interview with Interviewee 4

Interviewer: How about the space in the previous house, was it enough for all 4 of you?

Mrs. Meera: It was much smaller, even the rooms were smaller. In this house, we have two toilets and three bedrooms, while in the previous house we had only one bedroom and one toilet.

**25: Mrs. Meera (04/HH/Size)**

d) Excerpt from Interview with Interviewee 5

Interviewer: Why did you sell the previous house and bought this one?

Mr. Mano: The reason I sold the house is because we thought of getting a bigger house. Instead of renovating the current house, we put up a plan to get another house which is bigger. It is cheaper to get another house than renovating the house, that is why we buy this current house.

**26: Mr. Mano (05/HH/Size)**

Both Mrs. Meera and Mr. Mano has the experience of buying another house after selling the previous house they owned. Based on the excerpts above, it can be understood that each of them did the decision of relocating to have a spacious house that would fit their family size. Based on further questions asked to them, it is found that both of them are happier in the current house they own due to it being spacious and also being able to provide a room for each of their children.

**Subtheme 2: Marital Status**

Marital status which comes under the household needs too affect the purchase of the houses. There is difference in terms of preferences among those who are single and those who are married with kids. This influence of marital status is also found under the research by Mang, Zainal and Mat Radzuan (2018), and Zeng (2013). This is related to the first subtheme of family size, as marital status of a married person often links to bigger family size, leading to the fact that researches that supports family size factor would be supporting marital status factor as well. This subtheme is evident on the excerpts shown below.

a) Excerpt from Interview with Interviewee 3

Interviewer: So, you have decided earlier that you did not want to buy a house in urban area for the price, is it?

Mrs. Maria: Yes, the price is one of the reasons. Another reason is because the area is crowded. It would not be really safe for small kids to play there.

**27: Mrs. Maria (03/HH/Status)**

Based on the above excerpt and further questions in the interview, it was found out that Mrs. Maria did not want to buy a house at the place she was working previously, Glenmarie area, due to her kids being very small, apart from the higher price of house. As Glenmarie is an industrial area and is often crowded with people and vehicles on the road, she prefers to not buy a house there as it is very dangerous if her kids mistakenly go until the road while playing.



b) Excerpt from Interview with Interviewee 6

Interviewer: Is there any other factors for your preference on condominium over terrace houses, since you are the only one who stated your dream house to be a condominium?

Ms. Devi: If it is for a family with many kids, they may prefer a terrace house. For me, as I am single and living alone, I prefer a much safer place. For me, condominium is really safer and therefore, suitable for someone who is single like me.

**28: Ms. Devi (06/HH/Status)**

Based on the above excerpt, Ms. Devi believes that the marital status affects on one's house preferences. According to her, as she is single, condominium which is considered a high-cost high-rise building, often fitted with high-level security system is the best option as she is staying alone. This is opposite to other interviewees who are married and have kids, as they prefer terrace house as the perfect home for them.

**Subtheme 3: Age**

Age is also another factor affecting the home purchase, especially for families with family members who are already aging. Age factor is often linked to the fact of not having much movement to do to get basic amenities outside of house and so on. Mang, Zainal and Mat Radzuan (2018), Kam, Lim, Al-Obaidi and Lim (2018) and Zeng (2013) are the few of many researchers who found age factor as one of the house type and location determinants. The following excerpts prove the age factor found in this stud.

a) Excerpt from Interview with Interviewee 1

Interviewer: May I know why you bought a single-storey terrace house?

Mrs. Aisyah: Because of my age at the time of purchase. If it is a double-storey house, it is going to be a bit troubling to me to go up the stairs to room, to clean and all. Single storey is much easier for me and for my age.

**29: Mrs. Aisyah (01/HH/Age)**

To support the above excerpt, Mrs. Aisyah only bought her house at the age of 43 years old, and therefore, she preferred the single-storey house that she bought as it would reduce her movement and ease her for cleaning and storing things works. The current house that she owns is also satisfying her as she was able to renovate it to be bigger, without extending the storey.

b) Excerpt from Interview with Interviewee 5

Interviewer: How about the surrounding? Would you prefer a busier surrounding or quiet surrounding?

Mr. Mano: At this age, I would prefer to have quiet environment with basic amenities.

**30: Mr. Mano (05/HH/Age)**

Mr. Mano, although did bought his current house before his 30s, however, when asked about his dream house, he included the factor of his current age, which is leading him to wish a house in a quiet surrounding complete with basic amenities. Mr. Mano and Mrs. Aisyah both are bringing to the fact that age factor is indeed related to minimize movement.

As separately it is stated by them, all these three subfactors are however linked together most of the time when someone has to consider the household size and needs in a house purchase, especially for a big families.

**4.3.5 THEME 5: SAFETY PERCEPTION**

The rising number of crime cases definitely bring to the need of having a safe place to live in and to move around. Perception on the safety of a place would often do the work in a house purchase decision, although there are no place that are 100% safe. This is supported by various research such as by Kam, Lim, Al-Obaidi and Lim (2018), Chin (2016), Mollah, Haque and Pasha (2009), Manivannan and Somasundram (2014), and Gibler and Nelson (2003) who talked on the safety needs for any type of house which could vary between ages as well. The excerpts shown below is the proof of this factor in this research.

a) Excerpt from Interview with Interviewee 2

Interviewee: So, you did not care if the area has safety guard or not, is it?

Mr. Ahmad: We have been living in Shah Alam for quite a long time, so, we think Shah Alam is a safe place itself.

**31: Mr. Ahmad (02/Safety)**

b) Excerpt from Interview with Interviewee 6

Interviewer: Is there any other factors for your preference on condominium over terrace houses, since you are the only one who stated your dream house to be a condominium?

Ms. Devi: If it is for a family with many kids, they may prefer a terrace house. For me, as I am single and living alone, I prefer a much safer place. For me, condominium is really safer and therefore, suitable for someone who is single like me.

**32: Ms. Devi (06/Safety)**

Mr. Ahmad believes Shah Alam is a safe place considering he lived quite some time there even before he bought the house, and so, the fact that there were no safety guard for his housing area did not bother him as long as he was able to buy the house he wanted based on his budget. While, Ms. Devi, on the other side, who dreamt to buy a condominium, stated that condominium is considered much safer compared to terrace house. Although she did not buy a condominium, she did manage to buy an apartment which was suitable for her budget and is considered safe as well, just as supported by the research of Mollah, Haque and Pasha (2009).

#### 4.4 PRESENCE OF CHALLENGES IN PURCHASING PREFERRED FIRST HOUSE IN SELANGOR

Buying the most preferred first house is indeed a big challenge. Based on the questions asked to answer the second research objective, that is to indicate the presence of such challenges, each of their answers indeed proved that all interviewees had their own challenges in buying their preferred house. The work by Ismail, Nawawi and Saat (2012) which stated that people want to relocate to a better house being the reason for second house purchase experience explains a little on this. Such challenges are also found evident in works by Jalil, Samsudin, Tha, Abdul and Hashim (2018), and Mollah, Haque and Pasha (2009). The excerpt from the interview sessions will be shown as following as an evidence on this matter.

a) Excerpt from Interview with Interviewee 1

Interviewer: When you bought the house, you stated that you were still not satisfied with some of the aspects of the housing area. So, in your case, I can conclude that purchasing a preferred first house was still hard. Because, although you wanted a terrace house,...

Mrs. Aisyah: Actually, because I wanted to have a house, does not matter anywhere.

**33: Mrs. Aisyah (01/Difficulties)**

b) Excerpt from Interview with Interviewee 2

Interviewer: Okay, so your difficulty in purchasing preferred first house is at smaller level, right?

Mr. Ahmad: Nope. We need to arrange deposit, make preparation for loan. That is not easy. Later on, to renovate this house. It was all not easy.

**34: Mr. Ahmad (02/Difficulties)**

Mrs. Aisyah and Mr. Ahmad both bought an end lot house in hope that they can have some space to renovate to a look that they want, which involves cost as explained in Mr. Ahmad's interview excerpt above. This shows the challenges in buying most preferred first house, as it involves extra costs, both in terms of the price and renovation costs. Mrs. Aisyah even stated that her need to own house and financial restrictions made her buy the current house despite it was lacking on environmental and basic amenities term.

c) Excerpt from Interview with Interviewee 3

Interviewer: At the time you bought this house, you must have had some other alternatives, right? It is not always you wanted to buy an apartment. According to the budget, there must be other alternatives, but why did you choose this apartment at this place?

Mrs. Maria: Because we have had many loans not being approved. Before this, we did try for many other houses, but the loan was only approved for this house. A year before, we did try at a difference place but to no avail. Later, we just tried applying for loans for various houses until it got approval.

**35: Mrs. Maria (03/Difficulties)**

Mrs. Maria too, in the excerpt above portrayed her need to own a house through various trials. Her statement about the failed loan applications for many houses before landing on the current one proves that preference is no longer a valid concern, as it is hard for her to achieve with her financial restrictions.

d) Excerpt from Interview with Interviewee 4

Interviewer: So, is this house that you bought right now is your currently preferred house? Do you feel happy or satisfied?

Mrs. Meera: Yes, I am very happy. All thanks to Almighty. Very happy.

Interviewer: Although it is not your dream house?

Mrs. Meera: Ya.

Interviewer: What has made you feel happier with this, your second purchased house?

Mrs. Meera: Because of my first house's condition. And then, when I came here, I saw this house as much nicer and better.

**36: Mrs. Meera (04/Difficulties)**

e) Excerpt from Interview with Interviewee 5

Interviewer: You said your dream house is different, and then the first house that you bought is still a double storey, in the same place, but then, space wise, it was not really satisfying. And so, you bought the current one. So, do you agree that difficulty does exist in your case, in terms of purchasing preferred first house?

Mr. Mano: Ya, definitely. Because your preferred house, basically, constructed to your imagination, you see. To fit into the imagination is very difficult, because of cost. The cost, you won't be able to afford for that cost.

**37: Mr. Mano (05/Difficulties)**

Following the two excerpts above, both Mrs. Meera and Mr. Mano are currently owning the second house they purchased, which proves some sort of weaknesses in

their first purchased house. For Mrs. Meera, it was the hygiene condition and space, while for Mr. Mano, it was mainly space. These unsatisfactory first house purchases are mainly due to cost, as explained by Mr. Mano in the excerpt above. This purchase serves as evidence of challenge faced in their experience.

f) Excerpt from Interview with Interviewee 6

Interviewer: Another thing. You dreamt to have condominium, but why do you think you were not able to buy a condominium?

Ms. Devi: Due to financial inability. My salary was not that high at the time. I was also desperate to buy a house. Due to that, I did not have much time to look for something I dreamt. So, I just got myself a house for a price that I can pay.

**38: Ms. Devi (06/Difficulties)**

Ms. Devi too, based on the excerpt above, she needed a house after the separation with her ex-husband and so, she had to opt the houses that she can afford with the amount of money she had from her previous house sale. Also, she also stated that she did not manage to own a condominium even in her previous purchase with her ex-husband.

#### **4.5 FACTORS AFFECTING CHALLENGES IN PURCHASING PREFERRED FIRST HOUSE IN SELANGOR**

There are two factors found from the interviewees' responses on what causes the challenges faced, as proven in the previous section, which will be presented as themes in this section. The first one is on financial terms, while the second is on the need of owning a house.

##### **4.5.1 THEME 1: FINANCIAL ABILITIES AND RESTRICTIONS**

For all of the interviewees, financial abilities and restrictions were the main reason why they were not able to purchase their most preferred first home. There are few aspects of financial abilities that influence such challenges, however, all the aspects are interrelated. The following interview excerpts serve as proof on this.

###### **a) Excerpt from Interview with Interviewee 1**

Interviewer: So, based on what I understand, the challenges that you faced is because of financial difficulties, as in hard to get loan. What do you think has made it hard to obtain loan?

Mrs. Aisyah: Our earnings were low. So, we are not able to pay back the loan if the house is very expensive.

**39: Mrs. Aisyah (01/Fin)**

###### **b) Excerpt from Interview with Interviewee 2**

Interviewer: Okay, so your difficulty in purchasing preferred first house is at smaller level, right?

Mr. Ahmad: Nope. We need to arrange deposit, make preparation for loan. That is not easy. Later on, to renovate this house. It was all not easy.

**40: Mr. Ahmad (02/Fin)**

###### **c) Excerpt from Interview with Interviewee 3**

Interviewer: At the time you bought this house, you must have had some other alternatives, right? It is not always you wanted to buy an apartment. According to the budget, there must be other alternatives, but why did you choose this apartment at this place?

Mrs. Maria: Because we have had many loans not being approved. Before this, we did try for many other houses, but the loan was only approved for this house. A year before, we did try at a difference place but to no avail. Later, we just tried applying for loans for various houses until it got approval.

**41: Mrs. Maria (03/Fin)**



d) Excerpt from Interview with Interviewee 4

Interviewer: But then, your dream house is a terrace house. So, I am sure you must have looked for a terrace house as well, but then, what have made you buy this one?

Mrs. Meera: Because, at that time, based on my budget, we can only afford this. And maybe in future, if God give me more *rezeki*, in sha Allah.

**42: Mrs. Meera (04/Fin)**

e) Excerpt from Interview with Interviewee 5

Interviewer: What do you think, in your case, is the reason? Is it because of loan hard to be approved, or because of the job security or something?

Mr. Mano: Affordability.

Interviewer: Mainly affordability?

Mr. Mano: Ya, affordability. Because if you afford, that means you have the capacity. The income is there for you to pay the loan.

**43: Mr. Mano (05/Fin)**

f) Excerpt from Interview with Interviewee 6

Interviewer: Another thing. You dreamt to have condominium, but why do you think you were not able to buy a condominium?

Ms. Devi: Due to financial inability. My salary was not that high at the time. I was also desperate to buy a house. Due to that, I did not have much time to look for something I dreamt. So, I just got myself a house for a price that I can pay.

**44: Ms. Devi (06/Fin)**

Based on Mrs. Aisyah's interview excerpt, her low earnings have made her accept the condition of the house as it is although there were some dissatisfaction and some need of renovation, as her earnings limit her loan paying back capability. The same thing is for Mr. Ahmad, his income from the business has made him wait several years in order to buy the house he wants as he needed the enough money to pay down payment for loan and also for renovation works in order to bring on his dream house look.

For Mrs. Maria too, loan approvability was the reason that has made her look for house that is buyable instead of looking for her dream house, even at such an early age. For Mrs. Meera, Mr. Mano and also Ms. Devi, their current house purchase was mainly due to problems such as surrounding conditions, lack of space and also separation from partner. However, they still did not manage to purchase their preferred house in second attempt, mainly due to lack of income, loan payment



capability and also the inadequate amount of cash or savings they had from the sale of their previous houses.

Kupke and Marano (2004), Ahmad Ariffian, Hasmah and Norhaslina (2010), Kupke (2008), Jalil, Samsudin, Tha, Abdul and Hashim (2018) and Opoku and Abdul-Muhmin (2013) are some of the researches that supports such interrelated findings. The choice of going for apartment rather than landed properties due to such factors also were found to be true in research by Mollah, Haque and Pasha (2009).

#### **4.5.2 THEME 2: MOTIVATION TO OWN A HOUSE**

The second factor causing such challenges is the need and desperation to own a house amongst the interviewees. The excerpt from interviewees presented below works as prove on this factor.

##### **a) Excerpt from Interview with Interviewee 1**

Interviewer: When you bought the house, you stated that you were still not satisfied with some of the aspects of the housing area. So, in your case, I can conclude that purchasing a preferred first house was still hard. Because, although you wanted a terrace house,..

Mrs. Aisyah: Actually, because I wanted to have a house, does not matter anywhere.

**45: Mrs. Aisyah (01/Motive)**

##### **b) Excerpt from Interview with Interviewee 3**

Interviewer: At the time you bought this house, you must have had some other alternatives, right? It is not always you wanted to buy an apartment. According to the budget, there must be other alternatives, but why did you choose this apartment at this place?

Mrs. Maria: Because we have had many loans not being approved. Before this, we did try for many other houses, but the loan was only approved for this house. A year before, we did try at a difference place but to no avail. Later, we just tried applying for loans for various houses until it got approval.

**46: Mrs. Maria (03/Motive)**

##### **c) Excerpt from Interview with Interviewee 6**

Interviewer: Another thing. You dreamt to have condominium, but why do you think you were not able to buy a condominium?

Ms. Devi: Due to financial inability. My salary was not that high at the time. I was also desperate to buy a house. Due to that, I did not have much time to look for something I dreamt. So, I just got myself a house for a price that I can pay.

**47: Ms. Devi (06/Motive)**

Based on the above three excerpts, although financial concern was the main reason leading to the challenge they faced, another factor found is the motivation to own a house. For Mrs. Aisyah, her increasing age has made her to only concern on the aspect of the house being single-storey and affordable, while ignoring every other inadequacy. For Mrs. Maria, her quest for a house to start her family has made her look for whichever house that the loans can be approved for. Although she did check on the houses condition beforehand, loan approvability was her main priority. While for Ms. Devi, she needed a safe place to stay after her divorce which has made her to consider apartments instead of condominium, following her financial constraints. This factor is found evident in works by Gibler and Nelson (2003), Koklic and Vida (2009), Levy, Murphy, and Lee (2008), and Suwitro (2015).

Although this was not stated by them, both Mrs. Meera and Mr. Mano's case proves this to be the factor influencing in their case as well, especially when they decided to move to another house due to conditions of the first purchased home which is not satisfying, but was bought in order to start the family.

#### **4.6 ADDITIONAL OPINION: FACING THE CHALLENGES IN PURCHASING PREFERRED FIRST HOUSE IN SELANGOR AND GENERALLY.**

When the interviewees were asked on the question regarding challenges in purchasing preferred first house, some of them gave a different view from the other parties and expenditures involved in a house purchase. Importantly, the bank and also the government or state government. These views are as presented in the following interview excerpts.

##### **a) Excerpt from Interview with Interviewee 2**

Interviewer: So, do you think that generally, such difficulty is faced by almost everyone?

Mr. Ahmad: Actually, for first house, banks and government will help normally. In my case, the government did not help. But, bank will see everything. On your working status, if you just graduated, or if you just started a business, the progress and if you can afford to pay the loan or not. Banks will see all these and give loan,

Interviewer: So, you are saying banks will help for first house?

Mr. Ahmad: Bank will check on all details first for first house. For second house, they would not help as they expect you to have money. For first house, they would see everything, your business, and your payment capacity. They are not very strict as they know we would not fail payment for roof on our head.

##### **48: Mr. Ahmad (02/BankLoan)**

Mr. Ahmad has an opinion that first house purchases would not really face such challenges in choosing the most preferred ones due to the nature of banks that help purchase of first houses, under the concept of roof over our heads, but with confirmation on eligibility especially in terms of payment capability. This can be supporting well the case of Mrs. Maria who had faced many failures in getting loans due to some commitments her ex-husband had that has made it hard for her to simply apply loan for houses that she wanted. The remaining interviewees did get loan in first application as they had planned out carefully on house types with its prices that must be corresponding to loan payment capability.

b) Excerpt from Interview with Interviewee 5

Interviewer: How about difficulties in buying first house, instead of preferred first house?

Mr. Mano: Buying a first house itself a challenge.

Interviewer: Ya.

Mr. Mano: It's not 100%. It's more like 70%, 80%. So, the 30% person you got to come out with on your own. And then, the loan interest is also another factor. Back then, during my time, the loan interest was 9%. So, all that you must take into consideration. Let say you buy a RM 200000 house back then, your repayment per month could be easily RM 2000 plus. That was 20 years ago. So, your income if it have been less than RM 2000, how to pay installment?

Interviewer: Ya, right.

Mr. Mano: So, it's a challenge. You must make sure the total house purchase is within your range. Of course you have EPF assistance, you can withdraw certain amount from EPF, but, we didn't really use that opportunity.

Interviewer: You didn't? So, you just use your loan and your savings?

Mr. Mano: Ya. We got a loan. First house, I got loan for 70%. Second house, when I purchase the current house, it was basically 80%. There was no such thing as 100% loan back then.

Interviewer: Exactly. You have to pay down payment, for that you have to save.

Mr. Mano: You have to pay down payment, legal fees. Okay, legal fees also you have to pay and bring to bank. Then, MOT, Memorandum of Transfer, you have to do. Now, it is already into the package for most house purchases, right? But, back then, you have to do separately. That will cost you few thousand. So, if you buy RM 500000 house, your MOT will be about RM 10000 to RM 15000. That's a big money.

Interviewer: Ya.

Mr. Mano: All these, people don't consider when they buy house.

Interviewer: Exactly.

Mr. Mano: They thought you buy house, pay installment, everything done. No. Quick rent, all important.

**49: Mr. Mano (05/Commitments)**

Mr. Mano on the other hand, talked about all the expenditures involved in a house purchase from bank loan to other financial obligations there are in purchasing a house. According to him, people do not really think on all these other financial payments need to be done to own a house. Thus, making it a challenge even to buy a house in the first place, which means, even more challenging to buy preferred first house. His points are true as if all these obligations were kept in mind, people will plan their first house purchase even better, especially if they really want to own their most

preferred house. Such needed realization will remind on the amount of years they will have to wait if they want to have their dream house and also the sacrifice needed on buying dream house if the purpose is to own a house faster, as suggested by Kupke and Marano (2004).

c) Excerpt from Interview with Interviewee 3

Interviewer: So, generally, do you think that such difficulty in purchasing preferred first house exists in Selangor as whole?

Mrs. Maria: Yes. If there is no strong financial profile. If you have, then it is easy.

Interviewer: Okay, so...

Mrs. Maria: But, since there is now *Rumah Selangorku* programme, I think it is easy to get what we want for our first house.

Interviewer: That is a new programme is it?

Mrs. Maria: Yes. My brother bought a house under that and got a house similar to mine with slightly bigger space for half price. Just about RM 45 thousand. Even the area they offer the housing is good too.

**50: Mrs. Maria (03/HousingScheme)**

Mrs. Maria talked on the availability of housing scheme called Rumahku Selangorku, where she mentioned it is a scheme that makes it possible to get a house for cheaper price and with more space. According to PropertyGuru (2019), this scheme is an initiative by Lembaga Perumahan dan Hartanah Selangor (LPHS) to help people of income group of RM 10 000 and below monthly salary to purchase their first house. The options given are for both apartments and terrace houses with maximum price of RM 250 000. However, there are separations in terms of the income received and the types of houses can be owned in each category. Therefore, it is not easy getting preferred first house under this scheme as your application will be granted with an option based on your income and other criteria. But, under this scheme, it will make it easy for people to upgrade to different type of houses or renovate the houses as it now takes lesser cost to own a house, especially for such income group. With option of enabled reselling after 5 years, people can also resell the house and resort to a better place based on their preference.

Such opinions by these interviewees do allow for a relook on this matter from different perspectives, which may help in overcoming the challenges faced in a much better way.

#### **4.7 CONCLUSION**

To conclude, it is found that there are few factors that have influenced in the decisions of these interviewees of different background. Financial ability, motivation to own a house, locational attributes, household size and needs, and safety perception are five main factors or aspects considered in their house purchase. It is also confirmed that all interviewees faced challenges in purchasing preferred first house which is attributed to factors such as financial ability and restrictions and motivation to own a house. The last section finally concludes that with several options and thought process on the whole house purchase process, one could eliminate or at least reduce the impact of challenges faced in it.

## **CHAPTER 5: CONCLUSION**

### **5.1 CONCLUSION**

Residential real estate property is something that is not strange for every citizens of Malaysia, and even in other countries as it is what gives you a place to stay safely under heavy rain and very hot summer. This property too works as an asset that can be passed on for generations for its value which will always increase.

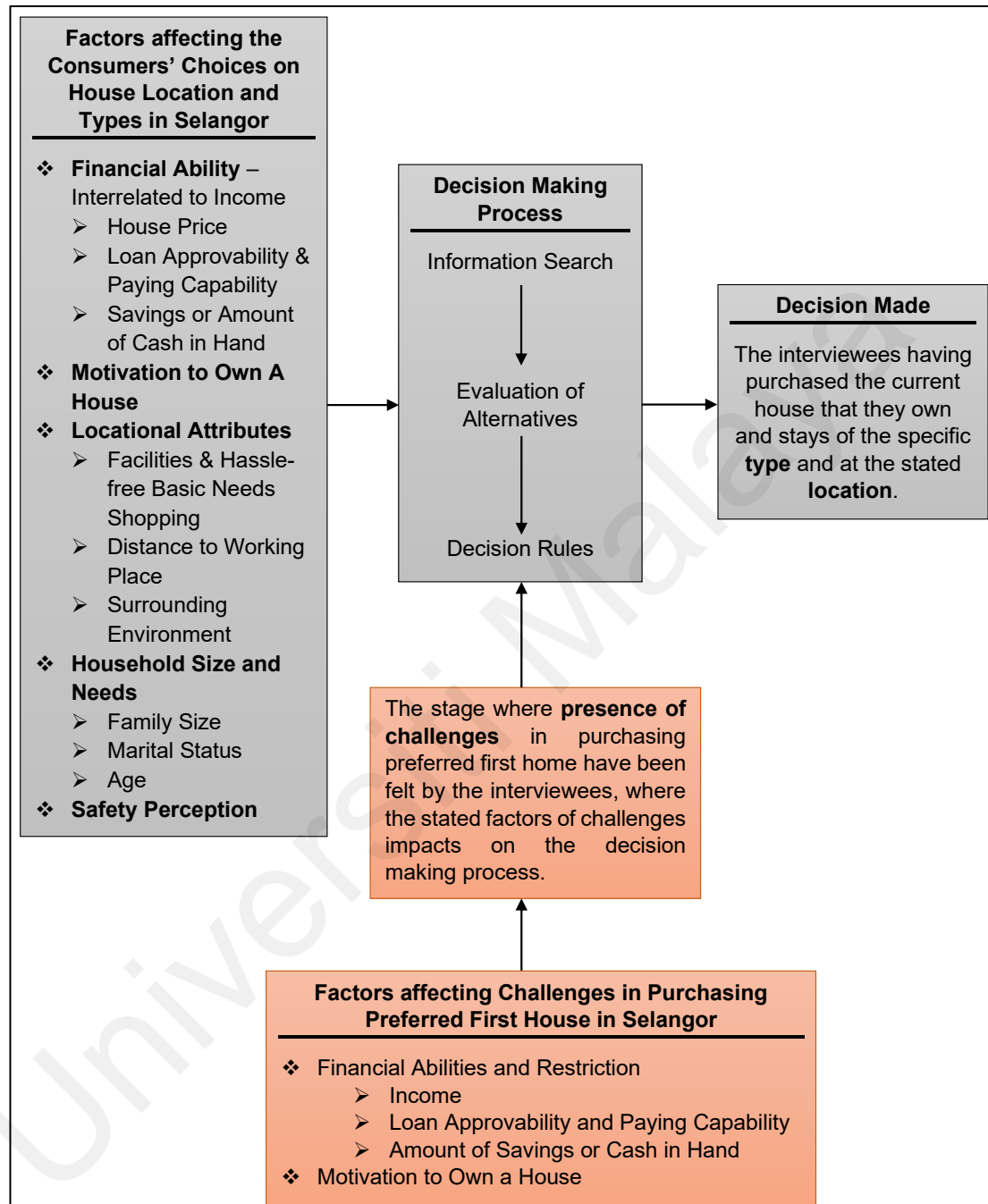
Residential real estate property comprises of many types of houses, both in the category of landed properties and high-rise building properties. As much as variety there are, statistically, not all types of houses went sold. There are a number of types of houses that went unsold each year almost in all states. This situation of unsold houses is for all houses ranging from high to low cost.

Consumer behaviour theory is the theory that can be used to explain this. Consumers always choose a property based on their preference and budget constraint. Preference factor can explain on cases such as low-cost houses went unsold despite house purchase being a lifetime financial commitment. There are various studies that confirmed on this and came up with various factors that affect house purchase decision of one.

Another reason explaining these unsold houses is the challenges that one may face when it comes to purchasing a house as it is not cheap – following the fact that value of houses will always increase at most of the time. These challenges affect their preference and causes someone to opt for something other than what he or she prefers the most.

This research which was done using phenomenological method and interviews as a source to collect data has managed to achieve all three objectives – to determine factors affecting consumers' house purchase decision, to indicate the presence of challenges in purchasing preferred first house as well as to describe the factors affecting the challenges. The figure below is the framework that includes all the points that have been found for all three objectives.

**Figure 2: Confirmed Conceptual Framework of the Research**



**Source: Data Analysis of the Research**

Basically, the Figure 2 above shows the whole process of house purchase that is applicable for all 6 interviewees in this research, which is comprising the results found for all three objectives as well, concerning the state of Selangor. The boxes in grey is indicating the direct stages of a house purchase decision making process, where first few factors of consideration will be made in terms of the house type and location, which will later go through the decision making process as suggested in the



Consumer Behaviour Theory. This decision-making process will start with information search on all the available houses based on considered factors, later, the evaluation of all the available houses and finally, application of decision rules to choose the one house they want to purchase. In the end, we would have a house purchased based on all these. The boxes in orange on the other hand, depicts the indirect stage in the decision making that impacts the decision made as well, once the challenges are felt by the purchasers.

For first objective, it is found that the decision made by the interviewees to purchase the house they own is due to the factors of financial ability which is interrelated to income affecting the aspects of considered house price, loan approvability and savings; motivation factor; locational attributes such as available facilities and basic amenities, environment and working place distance; household size and needs comprising aspects of family size, marital status and age; and lastly, safety perception on types and locations of houses. All these factors are considered simultaneously when they decided to buy the current house they own, except that factors and aspect considered do differ between each interviewees.

For second objective, it was proven that all 6 interviewees' faced challenges in purchasing most preferred first house, that almost all of them have not purchased their most preferred house yet. The factors causing such challenges are financial abilities and restriction comprising the aspects of income, savings, and loan approvability, and also the motivation factor. These two factors may cause someone to change their decision at the stage of decision making, from purchasing preferred first house to purchasing affordable house. Hence, the conceptual framework being formed in such way.

Therefore, all three of the objectives have been achieved. Some of the interviewees also gave some opinion on the process of house purchase, where there are chances for these challenges to be faced well, and better satisfying house purchase decision to be made.

## **5.2 POLICY RECOMMENDATION**

According to one of the interviewees, the governmental organization for housing and real estate management in Selangor have come up with a programme called Rumah Selangorku for citizens of Selangor earning less than RM 10000 per month. This is indeed a good initiative by the organization as it would now help people to own their first house much more easily than before, as the houses options are given for half price, with maximum price kept at RM 250000.

As good as this policy is to help the people of Selangor, the better policy would be the price control so that the houses would be equally affordable for everyone and easy to get loan approved. The houses at Selangor has prices going up to RM 3 million, especially for high-cost houses. Therefore, with price control on the house prices, especially by making sure the price does not increase in a huge amount by each year. This will also help the people to purchase the house that they prefer the most as their first house, which does not happen with Rumah Selangorku programme that assigns a house based on several criteria and thus, not allowing the applicants to choose the house type.

Thirdly, the best of best step to gain chances in purchasing houses is acknowledging all the commitments that come with a house purchase, especially financial commitments and thus, properly planning it. If these commitments are acknowledged, as suggested by one of our interviewees, it would be easy to plan on the years of waiting according to needs, whether to purchase preferred house or to purchase a house based on affordability alone. This step on an individual level would help people to achieve their first home as suitable as possible with their needs.

To conclude, first house purchase is something very important for everyone. Therefore, it must be made in a way that it satisfies and at the same time, does not burdens financially. The state governments and also each citizen should play role in achieving this.

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