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**HOME BUYING:
A CONTEMPORARY STUDY OF HOUSE BUYERS IN KLANG VALLEY**

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UNIVERSITY OF MALAYA
KUALA LUMPUR
1997**

**SUMMITTED TO THE FACULTY OF BUSINES AND ACCOUNTANCY
UNIVERSITY OF MALAYA, IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

NOVEMBER 2001



Abstract

The recent economic slowdown has posted greater challenges to the developers. Likewise, general consumer sentiment towards the housing market is bullish and the new residential development would further increase the residential stock in the country.

The challenges for developers are to produce the kind of houses that meet the buyer's demand by studying the market first before embarking on any project. Therefore, the objectives of this study are as followings:

- To identify factors that influence house buyers in their choice of house;
- To study the housing needs of the house buyers;
- To examine the search behaviour of house buyers;
- To explore the most effective channels in reaching the house buyers; and
- To explore the use of Internet in searching of house information.

An eight-page close-ended survey questionnaire was used for the study. A total of 350 questionnaires were randomly distributed and the response rate was at 87.43% (306 copies). The questionnaire was only distributed to respondents who own a house, and was self-administered. The questionnaire studied the respondents' house information, the perceptions of respondents towards the choice of house, the housing needs of the house buyers, the search behaviour of house buyers and lastly the demographic profiles of respondents.

The research revealed that the most popular type of residence in local housing market were double-storey terrace house and apartment which priced below RM150,000. Besides, all the variables grouped property design/characteristic, distance variables/location, environmental/neighbourhood, financial variables and developer's track record appeared important in influencing house buyers in their choice of house. Further analysis by ranking and comparison found out that location of the house is the most influential factor. Respondents revealed that owned a house, not rent was the single most influencing needs to own a house.

The most popular channel in looking for an ideal house was through the advertisement in newspaper, while the use of Internet in housing search was the most unpopular among the others. Respondents normally spent more than 4 months looking for their ideal home and conducted four to six inspections prior to conclude their buying decision. Nevertheless, further analysis revealed that most of the time both Malay and Chinese respondents were indifferent in their choice of house and search behaviour. Overall, respondents view the information acquired during the home searching process is useful in concluding their decision before coming to the point of purchase.

ACKNOWLEDGEMENTS

This study is made possible with the generous support and assistance of all the people around me.

I take this opportunity of expressing my sincere thank and gratitude to all my lecturers and friends who helped me in many ways during the preparation of the dissertation.

I would like to extend my special thanks and appreciation to my supervisor, Professor Dr. Md. Nor Othman for his invaluable supervision, guidance and personal encouragement not only during the period of writing this dissertation but also at many other stages of my studies at University of Malaya. His expertise guidance and valuable comments were of tremendous helps to carry out the work. I will take full responsibility of any error and ambiguity remains in the paper.

I am deeply indebted to Tang Fatt for his encouragement, supports and comments to make this paper possible. I am grateful to Kee Shing, Li Li, Gui, for their precious times.

I also want to thank Shaw Feng, Yen Yen, Ting Ting and Bee Gee, Shin Yee, Francis Chan, Poh Aun for their kind assistance in conducting the survey.

Lastly, to all my friends and fellow colleagues, I wish to express my appreciation for their moral support, patience and enormous help during this torturous fieldwork.

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