HOUSING CHALLENGES AND OPPORTUNITIES AMONG YOUNG PEOPLE IN THE GREATER KUALA LUMPUR, MALAYSIA

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FACULTY OF ARTS AND SOCIAL SCIENCES
UNIVERSITY OF MALAYA
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THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

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HOUSING CHALLENGES AND OPPORTUNITIES AMONG YOUNG PEOPLE IN THE GREATER KUALA LUMPUR, MALAYSIA

ABSTRACT

There have been a number of various housing initiatives promoted by the government, but they are merely inclusive of the lower-income group with the lack of appropriate housing options for the young people. Thus, this thesis explores the challenges faced by young people in their pursuit of adequate housing and to examine the contributing factors to the deficiency of housing policy and practices in Malaysia. The study is conducted using a mixed methods research approach involving a questionnaire survey and support from a series of in-depth interview. The findings reveal that in their pursuit of adequate housing, young people have faced challenges relating to structural, economic and social factors. Through the findings, the study also discovers that young people who are currently renting their accommodation face challenges concerning insecurity of tenure, high rental payment and the poor quality of housing. Concerning the current housing policy and practices, findings have shown that the current housing policy and practices in Malaysia in some manner have responded to the housing problems faced by the young people, but, still deficient in providing housing opportunities due to various factors. Regarding the housing opportunities, young Malaysians believe that they have the chances if factors that shape the opportunities such as affordability, housing knowledge, location and government housing policy are highly deliberated. As such, several restorative strategies are proposed to the policy makers to assist in developing comprehensive housing policy and programmes, encouraging alternative forms of housing assistance, supporting housing development outside the cities, promoting awareness and educating the youth through social marketing strategies, strengthening the cooperation between the Federal, States and other housing agencies and establishing the monitoring and coordinating agency for the better future housing policy and planning. It

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is hoped that the findings of this research able to contribute towards the inclusive housing practice so that it can respond to the housing needs of young people who desire to live independently.

Keywords: Housing challenges, opportunities, young people, adequate housing

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CABARAN DAN PELUANG PERUMAHAN DIKALANGAN GOLONGAN MUDA DI GREATER KUALA LUMPUR, MALAYSIA

ABSTRAK

Terdapat pelbagai initiatif perumahan yang telah diusahan oleh kerajaan tetapi ianya lebih menjurus kepada golongan bawahan serta kurangnya peluang kepada golongan muda. Justeru, kajian ini bertujuan melihat cabaran dihadapi oleh golongan muda dan mengetahui penyebab kepincangan polisi dan praktis sedia ada. Kajian ini menggunakan pendekatan penyelidikan kaedah campuran yang melibatkan tinjauan soal selidik dan temubual mendalam. Hasil kajian mendapati dalam usaha memiliki rumah, golongan muda menghadapi cabaran berkaitan dengan faktor struktur, ekonomi dan sosial. Dapatan juga mendapati golongan muda yang sedang menyewa menghadapi cabaran berkaitan sektor penyewaan yang tidak stabil, bayaran sewa yang tinggi dan perumahan yang tidak berkualiti. Berkenaan dasar dan amalan perumahan yang sedia ada, dapatan menunjukkan walaupun amalan dan dasar perumahan di Malaysia masih relevan, namun ianya masih gagal meningkatkan peluang golongan muda untuk memiliki rumah berikutan pelbagai faktor. Berkenaan dengan peluang perumahan, golongan muda percaya bahawa mereka mempunyai peluang tersebut sekiranya faktor seperti kemampuan, pengetahuan mengenai perumahan, lokasi dan dasar perumahan dititikberatkan dalam memastikan golongan muda di Malaysia mempunyai peluang tersebut. Justeru, strategi pemulihan dicadangkan kepada golongan pembuat dasar dalam membangunkan polisi dan program perumahan yang komprehensif, menggalakkan bentuk bantuan perumahan alternatif, menyokong pembangunan perumahan di luar bandar, mempromosikan kesedaran dan pendidikan terhadap perumahan melalui strategi pemasaran sosial, memperkukuhkan kerjasama antara Kerajaan Persekutuan, Kerajaan Negeri dan juga agensi perumahan yang lain serta menubuhkan agensi pemantauan dan penyelarasan bagi melaksanakan dasar dan perancangan masa depan yang lebih baik. Hasil kajian ini diharap menyumbang

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kepada munculnya suatu amalan perumahan yang inklusif dan menepati keperluan perumahan golongan muda yang ingin mendiami rumah sendiri.

Keywords: *Housing challenges, opportunities, young people, adequate housing*

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LIST OF ABBREVIATIONS

NHP: National Housing Policy

NHD: National Housing Department

PR1MA: Perbadanan Perumahan Rakyat 1Malaysia

YHS: Youth Housing Scheme

MFHS: My First Home Scheme

RTOs: Rent-to-own scheme

HBA: House Buyers Association

REHDA: Real Estate Housing Developers Association

MUWHLG: Ministry of Urban Wellbeing, Housing and Local Government

EPU: Economic Planning Unit

GKL: Greater Kuala Lumpur / Greater Klang Valley

DoS: Department of Statistics

MoF: Ministry of Finance

KRI: Khazanah Research Institute

UK: United Kingdom

US: United States

NRAS: National Rental Affordability Scheme

RII: Relative important index

MP: Malaysian Plan

RMK: Rancangan Malaysia Ke

PRS: Private Rented Sector

NGOs: Non-governmental organisations

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CHAPTER 1 : BACKGROUND OF THE STUDY

1.1 Introduction

Malaysia has given high priority to housing development after its independence. The effort was initiated due to the understanding that people need to have homes to ensure they enjoy a better quality of life. Since the government perceived housing as a national issue, various initiatives have been taken up over the past 30 years (Shuid, 2015; Agus, 1997). One of these is the introduction of the National Housing Policy (NHP) with its primary objective to solve the problems of slum and squatters as well as over crowdedness due to the growing population (Shuid, 2015; Ministry of Urban Wellbeing, Housing and Local Government, 2013). The need for quality housing is not only a dream of the earlier generation. It has now become a dream of the younger generation because housing is a basic need in their transition to living independently.

The transition to independent living among young people takes place due to demand of the job, family formation, as a symbol of maturity, entry to homeownership and also for an educational reason (Filandri & Bertolini, 2016; Beer & Faulkner, 2013; Lieberg, 2013; Clark & Mulder, 2000). Furthermore, Lieberg (2013) and Mulder (2006) postulate that young people leave their parental homes and seek for independent living due to educational purposes, social class, employment matters, family structures and searching for housing. As promoted by the evolutionary theory of social change, societies gradually change from simple beginnings into even more complex forms and they progress from lower to the higher level. Thus, it is a dynamic of the society as they keep changing and progressing for betterment over the time. When younger generations choose to leave their parental homes and search for a place to call home, it indicates that social change occurs in the society.

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In their pursuit of independent living, young people are inclined to move out from their parental homes and find a new home of their own. At their age, being hungry for achievement has become a norm, and this includes having a home as an asset. A study by Institut Kefahaman Islam Malaysia (IKIM) regarding *Impian atau Realiti Golongan Muda Memiliki Rumah* (Dreams Or Reality For The Younger Group to Own A Home) has demonstrated that the younger generation, aged between 23 to 40 years are now in the process of building their lives by having a permanent job, forming a family and living a quality life, which is often associated with having a decent and an appropriate home (Nor Hartini, 2014).

The term young people in this context refers to Malaysian individuals of the age of 20 to 39 years old as classified by the Department of Statistics. At this age, many of them start searching for a job and seek for independent living. The researcher decides to define the youth as starting from 20 years old because they are the new entrants and at their early stage of career. The category is in line with a previous study on housing affordability of Generation Y by Ahmad, Farah Hanan and Hasmah (2013) which has identified them as school leavers or university graduates who are at the beginning of employment. Another study by Visser, Bolt and Kempen (2013) also employ youth as their subject matter in their housing study due to several reasons. Firstly, young people are an important category in urban restructuring; second, due to lack of information on the needs of the young people particularly on housing and finally, lack of housing opportunities among them.

Additionally, in a World Bank Report, 2014 entitled *Malaysia Economic Monitor Towards a Middle-Class Society*, most of the young people in this country fall under the category of middle-class, whereby most of the middle-class jobs require a Bachelor's

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degree or at least a Diploma (Sander, Packard, Purnamasari, Testaverde, Wacker, Yap & Yoong, 2014). It is vital to research about young people as they are the key players in the housing market, the engine growth of country's economy and at the stage where they build families (Mackie, 2016). A study regarding homeownership problems among younger working households in Malaysia and New Zealand also employ young adults aged between 20 to 39 years old as their respondents (Zyed, Wan Nor Azriyati, Noor Rosly, 2014; Wilcox, 2003).

Nevertheless, this group of people face several housing issues such as failure to have access to their preferred housing tenure that owns their home (owner-occupation) and even worse, some of them are inaccessible to the rental. The lower and middle-income groups face difficulties to find an affordable home that match with their housing needs and preferences (Bontje, 2016; Ha, 2013). The housing challenges faced by young people can be seen from an article published in The Star dated July 14, 2013, which highlights how young professionals in Malaysia are struggling to own property due to insufficient income, high housing prices and not being eligible to buy a house in view of the new ruling from the financial institutions (Chin, 2013).

Other than that, Generation Y is reported to still living with their parents or renting a house but is unable to own one (Ahmad, Farah Hanan & Hasmah, 2013). An article regarding *Affordable Housing: The Buzzword* posted that young people are not being able to purchase their homes due to rising housing prices (Loong, 2014). This is a worse especially in urban areas like the Klang Valley, which forms part of the study areas as many of young people prefer to be in the Central Business Districts (CBD) due to job opportunities.

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Also, as points out by REA Group Chief Operating Officer, Arthur Charlaftis, since Malaysia has a relatively young population and workforce in which she referred it as property seekers, it indicates strong demand for affordable residential properties especially in the main urban areas which are close to their workplaces (Bernama, 2016). Since urban youths aspire for affordable homes in the cities, there is a need to undertake the study in this area.

In comparison to their parents, today's younger generation experiences different housing opportunities. The younger generation from wide-ranging societies seems to face difficulties in gaining access to decent and appropriate housing (Bontje, 2016; Deng, Hoekstra, & Elsinga, 2016; Bessant & Johnson, 2013; Bruce & Kelly, 2013; Hoolachan, McKee, Moore, & Soaita, 2016; Lieberg, 2013; Mackie, 2016; Zhu, 2013). Moreover, they cannot afford to buy a home due to the price of the house, strict financial procedures, housing policy and some other reasons. Hence, they are forced to rent as that is the only realistic approach to meet their financial situation. A similar situation also occurs among young people in the United Kingdom (UK). A report entitled, Young People's Housing Transition, indicates that many young people rented the private accommodation as a substitution for owner-occupation due to the constraints that they faced (Fox, 2009).

Given the above situations, Malaysia has noted the importance of social housing in each of its national development plans by introducing several housing programmes to ensure everybody has access to adequate shelter, either through homeownership or renting (Baqutaya, Ariffin, & Raji, 2016). The government has built public housing; either for sale or rent by people with certain conditions to be fulfilled. Public housing has been constructed for sale to promote homeownership, especially among the urban poor. Furthermore, the government had introduced various housing initiatives; such as PRIMA

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(Perumahan Rakyat 1Malaysia), People Housing Programme, Homeownership Programme and My First House Scheme in response to the needs of low and middle-income groups (Economic Planning Unit (EPU), 2016; Shuid, 2015; Tan, 2012). To further increase home ownership among people, the government in the 2015 National Budget has introduced the Youth Housing Scheme (Economic Planning Unit (EPU), 2016) .

Although there has been a number of various housing initiatives promoted by the government, they were merely inclusive of the lower-income group (Baqutaya et al., 2016; Cagamas, 2013; Yong, Kun Hing & Kuppusamy, 2013; Zyed, Wan Nor Azriyati, Noor Rosly, 2013; Agus, Doling, & Lee, 2002). The policy implicitly exclude the middle-income; with the lack of appropriate housing options for the young people. As a result, these marginalised groups are at risk of not owning a house, and they are in danger of becoming homeless, which later contribute to the growing number of the homeless generation.

Various studies have been conducted to look at the contributions of the homeownership towards the person's wellbeing (Zumbro, 2014; Doling & Omar, 2012; McKee, 2012; Izuhara, 2010; Rohe & Stegman, 2007; Elsinga & Hoekstra, 2005; Doling, 1999a; Rohe & Stewart, 1996). Also, numerous studies have been conducted in Malaysia about homeownership and affordability among the middle and low-income groups (Zyed, Wan Nor Azriyati & Noor Rosly, 2016; Baqutaya, Ariffin & Raji, 2016; Ahmad, Anthony, Hasmah & Farah Hanan, 2015; Zyed, Wan Noor Azryati, Noor Rosly & Peter, 2014; Ahmad, Farah Hanan & Hasmah, 2013; Norazmawati, 2012; Tan & Kong, 2012; Tan, 2012a; Tan, 2012b; Faizah, Wan Nor Azryati, Noor Rosly & Ibrahim, 2012; Tan, 2008). However, there has been a very little discussion in the previous research conducted

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in Malaysia in regard to the living arrangements of the young people and the challenges they face in their pursuit of adequate homes. Furthermore, a little study was done on the factors that influence the opportunities to adequate housing among the younger generation. Hence, this study is crucial to shed the light on understanding the challenges and opportunities to adequate housing among the young people so that they can live independently.

1.2 Problem Statement and Research Questions

Housing policies in Malaysia aim to give access to adequate housing either by owning or renting. The objective is defined through various housing programmes and policies; such as the introduction of various housing schemes namely PRIMA (*Perumahan Rakyat 1Malaysia*), People Housing Programme, Homeownership Programme, My First House Scheme and also Youth Housing Scheme to promote the homeownership among the people. The government also has successfully built public housing projects such as *Projek Perumahan Rakyat (PPR)*, low-cost public housing and recently introduced Rent-to-Own Scheme (RTO) to help people to get access to adequate and affordable homes. These initiatives are developed to provide opportunities for people to rent a house to substitute owning through a mortgage. The objective is clearly stated, whereby people will have the ability to choose and buy a house after several years. These efforts are designed to help all people regardless of ethnicity or income levels in order to have access to adequate housing.

The increasing demand for job opportunities in the urban area has resulted to the transition of young people to live independently. Given this, they choose to move out from their family's homes and find a home of their own. However, most of them have encountered difficulties in attaining independent housing of choice due to various

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problems. This is a worse situation, especially among the young people residing in the urban area. This group of individuals has failed to get access to adequate and affordable homes, and as a consequence, they have to either choose to rent a private housing, share the accommodation with their friends, continue residing in their parental homes or even worse, become homeless for some of them (Bontje, 2016).

Although housing is viewed as an asset and is necessary as a source of individual wealth, young people are still excluded from accessing the housing ladder. Many of them remain in their parental homes longer and even when they are ready to live independently; they face challenges in accessing mortgage finance (McKee, 2012). Failure to have access to affordable homes with no suitable housing options available for them leads to the inability of independent living.

Our expenses are increasing from year to year due to the rise in price for most of major goods, which does not include the price of house (Ahmad, Anthony, Hasmah & Farah Hanan, 2015; Shuid, 2015). For some people coming from a wealthy background, buying a house is not a major problem as they have the purchasing power to do so. However, for the middle and lower-income earners, they experience the difficulties in owning a house due to the high price of the property (Shuid, 2015; Tan, 2012). For those who migrate to the urban area due to job demands or marriage, renting private accommodation is the only option they have as there are no appropriate housing options designed for them. There are many young people prefer a home of their own, but due to unstable income and the situation in the housing market, they have to either remain in their parental homes or find another housing tenure.

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The issue pertaining to difficulties in gaining access to decent and appropriate housing have been continuously debated in many countries (Campos, Yiu, Shen, Liao & Maing, 2016; Filandri & Bertolini, 2016; Reed & Ume, 2016; Shi, Chen & Wang, 2015; Li, 2015; Belsky, 2013; Bessant & Johnson, 2013; Khan, Mahamud & Kamaruddin, 2012). There are particular groups of people in our country; especially those in urban areas suffering the same problem (Baqutayan, 2014; Zyed, Wan Nor Azriyati, Noor Rosly, Peter, 2014; Ahmad et al., 2013; Tan, 2012). There are still insufficient affordable homes for the citizens in Malaysia, which can be seen from the number of people who have yet to own a house. Even if there is enough supply of affordable homes in the market, the concern is also raised in terms of the location and the quality of the houses. Other than that, leaving distant from the workplace would require them to spend their income more on traveling, which is not only very time-consuming and creating financial stress among them. Under those circumstances, how young people are able to save for the housing deposit and pay for other expenses? The financial adequacy is the main question that haunts the younger generation when talking about owning a place to call their home.

The growing number of people not owning a house is high since the price of the houses keeps increasing every year. According to the National Property Information Centre (NAPIC), the housing price in Malaysia continues to rise every year. In the 3rd Quarter (Q3) of 2015, the average price for all houses in Malaysia hit at RM317,768. The price has increased gradually from the previous quarter that stood at RM296,042 in Quarter 3 (Q3 2014), RM297,934 (Q4 2014), RM302,716 (Q1 2015) and RM309,705 (Q2 2015) (National Property Information Centre, 2014). In Quarter 3 (Q3) 2016, Kuala Lumpur continued to record the highest average housing price at RM772,126 followed by Selangor at RM515,277, which significantly increased from the previous year (National Property Information Centre, 2016).

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Due to this reason, sixty percent of the government servants with a salary of less than RM 3,000 do not have the capability to buy a house (Bernama, 2012). This situation is even worse in urban areas, for example, in the Klang Valley. Federal Territories Minister, Tengku Adnan Mansor, in his speech at DBKL Training Institute, stated that out of 10,000 workers in Kuala Lumpur City Hall, 4,000 of them have been reported not having a home (Farah Wahida, 2014). Other than that, young adults working in the city centres find it difficult to own a house due to the growing cost of property and the high cost of living (Mahalingam, 2014).

Since the housing policy has excluded the young urban earners, this vulnerable group faces various challenges in their efforts to either rent or own a home. Approximately 80 percent of all Malaysians earned below RM6,954; with an average household income in Kuala Lumpur of RM RM8,586 while Selangor at RM7,023 (Department of Statistics, 2012). For the average household income, the maximum affordable housing price for this group would be RM300,000 and below and those earning between RM7,000 to 8,586 can afford homes priced between RM309,096 and RM412,128 in Kuala Lumpur and between RM252,828 and RM337,104 in Selangor. However, only 31.7 percent of all new launched housing units priced below RM250, 000 (National Property Information Centre Report, 2012). This situation has created an imbalance between the demand and supply of the houses for the right target group. There is a gap of about 40 percent of the supply (affordable houses) as compared with the demand (Ministry of Urban Wellbeing, Housing and Local Government, 2013). A study conducted by Sime Darby reported that for people to afford a home in the Klang Valley, the required average monthly household income is RM14,580 (Sime Darby Property Index, 2013). This data indicates the non-affordability to own a house as this has been beyond the mean income of the people, thus becomes a challenge for them.

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With the soaring price of the houses in the market and the average income of the people, someone can raise a question of what he or she should do in order to have access to the adequate home. It clearly shows that there is a disparity between average income, the price of the houses, the cost of living, and the people affordability. However, the entire given scenarios were only based on a small survey. There is little systematic study has been conducted regarding the problems. To find comprehensive solutions, we need to ask the young people the kind of problems they have encountered in the access to adequate and affordable homes. Based on the above issues, this study realised the crucial needs to identify in detail the challenges faced by the young people in their pursuit of adequate homes.

The central aim of the housing policy should be the roof over a head; which means that everybody must be adequately housed as either homeowners or renters. It should cover the needs of all income groups including the middle income group, that is vital for economic growth and the lower income group, who is at risk of social and economic exclusion (Elsinga, 2017). Regarding the housing policy and practices in Malaysia, it is intended for the lower income group. Although each of our national development plan highlights the same objective of providing adequate and quality housing and enhancing the capability and accessibility of people to own or rent houses, the aims are focusing in catering the lower income group (Ariffin et al., 2013; MUWHLG, 2013; Shuid, 2015). It has been highly criticised by various sections of the population and agencies as there are still loopholes in the practice of the housing policy which attract attention from the respective parties. This study acknowledged the government's effort in introducing the housing programmes and initiatives such as the homeownership policy to increase the rate of homeownership and to achieve home-owning society. This policy, however,

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overlooks a group of people, especially the younger generation. The young people have become the topic of discussion as they are at risk for not getting access to owning a house.

In terms of the coverage of the policy, the government has emphasised more on the lower-income group in their housing policies, which is portrayed in each of the Malaysian Plan and previous public programmes such as the Housing Project for the Poor (PPRT) and the People Housing Programme (PPR) (Khazanah Research Institute, 2015; Shuid, 2015; Ariffin et al., 2013; MUWHLG, 2013). There has not been any actual or comprehensive policy on rental as in other European countries. It simply shows that our housing policy does not support the rental system. Since providing a home is one of the social responsibilities of the government towards the citizens, the government by any means needs to ensure that each person has a roof over his or her head, either by providing housing for them to rent or being the owner-occupation. As such, rental may become a real alternative to homeownership as not all people can be part of homeownership. Thus, having a good rental system can ease the young people's burden and further improve their well-being.

Aside from that, the Thrust One of National Housing Policy encourages the private sector to develop medium-cost houses in order to fulfil the needs of the middle-income group with a monthly household income of RM2,500 to RM3,999 (Economic Planning Unit (EPU), 2016; National Housing Department, 2010). These requirements enable citizens within a given income to own a house. However, how about those middle-income people who earn more than RM4, 000 and are unable to cope with the price of luxurious houses built by a private developer? Malaysia is still lacking in providing affordable housing especially for this group, and this includes the young generation. Similar to other East Asian countries, the production of public housing is minimal and

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intended only to the lower-income group as the current housing policy is focusing on homeownership (Ha, 2013). Although houses were built rampantly, they were skewed towards the luxurious and high-priced properties. In reality, the existing public housing programmes offered by the government could only accommodate the low-income group (MUWHLG, 2013).

Another factor is related to the private developer monopoly. The Fifth Malaysia Plan (1960-1965) stated the decreasing role of public sector in housing programmes due to greater participation given to the private sectors to build houses for the public (Economic Planning Unit, 2014). The government has set its focus to have more construction of low-cost houses, especially for the low-income group. The policy encourages the private sector involvement in housing. The private sectors have played their active role in providing the houses to the people based on the government's aspirations. Unfortunately, their primary objective is profit maximising. Thus, they neglect their social obligation. As the private developers are profits driven, they focus on building high-rise apartments, commercial buildings, and luxurious homes; instead of building more affordable homes.

Besides that, having lack of continuous monitoring from the government of their projects, enables private developers to set the price without referring to the current affordable income, but merely based on their profit motives. Looking at the city centres such as Kuala Lumpur, Shah Alam, and Klang, the available properties are too expensive for the ordinary middle-income earners to own a house. A property consultant firm; Knight Frank Malaysia said that developers, the government, and other stakeholders must play more responsible roles to ensure that the gap between the supply and demand of the houses is manageable and being more socially responsible; instead of being profit driven

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(Ng, 2014). They should focus on social responsibility to serve people's basic needs rather than being too greedy to make more profits from the property.

To sum up, the government focuses more on promoting the homeownership but provides less emphasis on other housing opportunities especially for the young people. Perhaps, the other housing options such as rental, shared accommodation or other suitable options can be introduced so that the young generation can have more access to adequate and affordable homes. For some people, homeownership is not their major concern as their main aim is to have a house as a shelter first and improve their housing situations later by entering the homeownership when they can afford to do so.

The above reasons are merely based on the facts of the property market. There is less empirical evidence or scientific studies conducted to know whether the current housing policy and practices are efficient to provide adequate housing opportunities for the young people. Therefore, this study intent to fill the gaps in approaching the question of to what extent the housing policy and practices in Malaysia provide opportunities for the young people, considering the access to adequate homes for independent living.

The National Housing Policy has targeted that every individual is able to purchase a house, but regrettably, the coverage is only for a particular group of people (Ahmad et al., 2015; Ahmad et al., 2013; Agus, 1997; Agus et al., 2002). Looking at the scenario of housing in our country, the wealthy or high-income earners have higher chances of buying a house offered by private developers, whereas the lower-income group can only enjoy the benefits under various public housing schemes targeted to them. The question is what will happen to the young people, whose dreams to own a house could not be materialised through the private developers' market because neither the price is too high nor enjoy any

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benefits from the various housing programmes. Thus, this study shed the lights in order to investigate whether homeownership is attainable by all young people. Alternatively, we need to have other housing opportunities for them to ensure that they can buy and live independently. This shows that something must be done to examine why these young adults fail.

Specifically, this study aims to explore the housing challenges and opportunities among the young people. Given that, this study seeks to address the following three research questions:

RQ1: What are the challenges faced by the young people in their pursuit of adequate housing?

RQ2: Why the housing policy and practices in Malaysia are deficient in providing housing opportunities for the young people?

RQ3: How alternative housing strategies can respond to the housing needs of the young people?

1.3 Research Objectives

Based on the above problem statements and research questions, this study aims to achieve the following objectives:

1) To identify the challenges faced by the young people in their pursuit of adequate housing;
2) To examine contributing factors to the deficiency of housing policy and practices in Malaysia in providing housing opportunities for the young people; and,

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3) To propose restorative strategies in response to the housing needs of the young people.

1.4 Scope of Study

In examining the housing challenges of the young people and analysing the difficulties faced by them in their pursuit of adequate homes, this study is based on the Housing Adjustment Theory as promoted by Morris and Winter (1975, 1978). Rossi (1955) suggests the reasons to move, which stated that people move due to the life-cycle. Thus, housing transitions happen because of family formation and expansion, educational reasons and job opportunities.

The Theory of Housing Adjustment also posits that when a person feels that he or she cannot conform to the norms, he or she will make the adjustment. People aim to live in a housing situation that is accepted by their means and standard. However, due to several housing deficits such as lack of income, market constraints, and other factors, they find it difficult to get access to the adequate and affordable homes.

Housing is a fundamental shelter for everyone to sleep, eat, groom and do other activities. Thus, it is essential to provide a house that is safe, decent and affordable (Economic Planning Unit (EPU), 2016; Atiles & Bohon, 2003). Similarly, in Malaysia, it has become the national agenda to provide everybody with safe, adequate and decent homes. Nonetheless, there are also houses supplied by the government that do not meet the requirement. Consequently, there is a group of people that must adapt and adjust to the available housing options despite their capability and satisfaction level.

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According to the Theory of Housing Adjustment, the household norms and preferences, as well as the ability to attain to the norms, are affected by the household's resources. Therefore, many of them facing housing deficits are unable to do anything due to three main constraining factors such as intra-familial constraints (level of problem solving skills and the ability to achieve consensus), satisfaction limitation (attractive features of the current dwelling that families are willing to forego) and extra-familial restriction (race, sex of the householder, social class, income, supply of housing and access to credit factors). Thus, when there are highly severe constraints, adaptive techniques are deemed necessary (Morris and Winter, 1978). The pursuit of young peoples' dream home is highly influenced by several factors. Based on the above theory and thorough international literature review, this study employs five (5) main variables namely socio-demographic, affordability, location, housing knowledge and structural factors. The variables are further illustrated in Figure 1.1 (See infra, pp.92-128).

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Figure 1.1: Scope of study

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1.4.1 Socio-demographic factors

Socio-demographic is a characteristic of the respondents. There are several elements employed in this variable such as age, gender, educational background, marital status, employment/occupational status, ethnic background, household types/sizes. In the context of age, people assume that older people have more stable income as they spend many years in the workforce (Deng, Hoekstra & Elsinga, 2016; Drew, 2015; Roween, 2014). Older people are also viewed as being financially prepared to enter homeownership, and some say that this group of individuals spends less than younger generation. Therefore, age becomes one of the requirements that people look upon when applying for financing for homeownership. Unfortunately, it can create tension among those who do not meet the certain age requirement.

The second element is gender which is also known as sex that refers to human sexuality (Connell, 2014) and the division of human society into men and women (Lips, 2017; Oakley, 2015). This study uses the term gender to refer to the sex of the respondents. Gender influences the housing decisions mainly in homeownership (Hochstenbach & Boterman, 2014; Forrest, 2013; Blaauboer, 2010). Women are perceived as less capable of buying a home as men are still considered to be the main breadwinner and the main economic contributor in the family. The perception is that men often have high income than women, which makes them more willing to commit to homeownership. Nevertheless, this situation has resulted in discrimination towards women who are the head of the family. It is even worse when women are denied their rights to have access to low-cost houses or public houses offered by the government because of their gender. For instance, widowers always face difficulties in getting the low-cost houses as they are seen as being incapable to pay for the house in the future. The

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perception is that widowers, whose husbands died and are unemployed, are not capable of paying for such houses due to unstable income.

The third element is the ethnic background. An argument was made regarding the association between ethnicity and housing opportunities. The ethnicity was said to determine whether individuals have better housing opportunities or not (Drew, 2015; Hochstenbach & Boterman, 2014; Pendell, Rolf, Freiman and Myers, 2012). In Malaysia, 40 percent of the lower income group consists of Malays (Department of Statistics, 2014). This situation has created a perception that the housing development, which is based on high-end properties can only be purchased by the Chinese since statistics shows that there is inequality regarding income distribution among ethnics in Malaysia. Finding of Household Income Survey 2012 shows that the highest mean of monthly household income by ethnic is Chinese with RM6, 366, followed by Indian at RM5, 233 and the lowest is Bumiputra with RM4, 457 (Department of Statistics, 2014). For this reason, the private developers focus on this group of people based on the perception that they have the affordability to enter homeownership without fulfilling their social obligation to build more houses at an affordable price.

The fourth element is marital status. Various studies show that accessibility and affordability to own a home can be determined from the aspect of marital status (Arundel & Doling, 2017; Izuhara, 2015; Li, 2015; Izuhara & Hirayama, 2010; Hendershott, Ong, Wong & Flatau, 2009). There is always an assumption that married people have high tendency to enter homeownership. This is due to the family size and their strong commitment (Deng et al., 2016). Other than that, married people are assumed to have more stable income with enough credits. It is important to look at the marital status as it

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has been the key component in differentiating women's housing opportunities in Japan and also in many other countries (Izuhara, 2015; Izuhara & Hirayama, 2010).

To further support the homeownership among people, there are several homeownership schemes introduced in Malaysia. However, some of the schemes are meant to cater for married people in owning a home thus, excluding single people from those schemes, which indirectly maintaining them as a rental generation. This situation has led to discrimination towards the single person group as they also need their own place to call home for the future. Regardless of their marital status, the single-person group also has a job that can secure their income, dreams to own a home despite their family size and possesses high commitment than a married person to some.

The next element this study would consider is the educational background. This is another significant factor in determining access to adequate homes. It has always been assumed that when a person has a high educational background, he or she is more likely to have high income, hence making it easy to get access and able to afford a home (Deng et al., 2016; Filandri & Bertolini, 2016). In fact, the educational background has become one of the elements that needs to be fulfilled by the purchaser when applying for the financing (Drew, 2015; Fu, Zhu, & Ren, 2015; Yu, 2006). Meanwhile, people always make assumption that those with the high educational background can afford to pay for the financing as compared to those with a lower educational background. A study among Taiwanese immigrants reveals that education and wealth were the contributors to Taiwanese high homeownership (Yu, 2006).

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The final element discussed in this section is employment/occupational status. There is no doubt that employment is necessary to ensure that people have the capability to own a home (Arundel & Doling, 2017; Lersch & Dewilde, 2013). In any circumstances, employment reflects the social status of the individual making them have the affordability or not to own a home (Deng et al., 2016). That means a person must be employed to guarantee he or she can purchase a property. Without being employed, it portrays that a person has no income stability that will result to non-affordability to homeownership. This shows that the capability of having the access must not merely based on the income but also other resources so that anyone without a permanent job or who has just lost a job, get a better arrangement in terms of their housing tenure, be it in the forms of homeownership or any other living arrangements (Filandri & Bertolini, 2016).

1.4.2 Affordability factors

Affordability factors play a significant role in determining access to adequate homes. Affordability can be defined as the challenge each household faces in balancing the cost of its actual or potential housing, on the one hand, and its non-housing expenditures, within the constraints of its income (Ahmad et al., 2013; Micheal, 2006). On the other hand, Poon and Garratt (2012) conceptualised affordability by looking at two dimensions which are attainability and sustainability. Attainability is referring to the ability of the household to purchase a property while sustainability refers to their capacity to sustain their purchase. In this study, the variable from the affordability perspective consists of financial resources (household income and assets or wealth), housing prices, household consumption/expenditures and financing.

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Financial resources involve elements such as income, assets and wealth. Income in this study includes individuals' and households' incomes. For instance, it is important to have an income to enable us to purchase or rent a home (Campos, Yiu, Shen, Liao & Maing, 2016; Bontje, 2016, Deng, Hoekstra & Elsinga, 2016; Hoolachan, McKee, Moore & Soaita, 2016; Li, 2015; Bessant & Johnson, 2013; Bruce & Kelly, 2013).

Assets or wealth is also important in determining whether we can afford to own a home or not. Assets or wealth include own assets such as any type of investments, savings or parental wealth. Past studies claim that income is correlated with homeownership, hence it is significant to observe on income to determine the access to adequate homes (Arundel & Doling, 2017). We do note that those without stable income cannot secure financing from the banks, and this issue results in tension among those without enough income.

The second element is household consumptions, which comprises of the individuals' and households' spending expenditures, liabilities or spending patterns and habits. To own a home, we must take into consideration of the burdens to obtain the financing from the banks, which is determined by the liabilities that a person has. With so many liabilities in hands such as car and personal loans, insurance, children education, food and electricity consumptions and others spending habits, it is almost impossible for the people especially the younger generation to enter suitable housing tenures, be it homeownership or rental.

The next category is the housing price, which reflects an amount determined by the private developers based on each housing project. A lot of studies acknowledge the impact of the housing price on the opportunities to adequate homes among people

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especially on homeownership (Filandri & Olagnero, 2014; Bessant & Johnson, 2013; Bruce & Kelly, 2013; Yong & Kuppusamy, 2013; Gathergood, 2011; Chen, 2011; Davidoff, 2006). The property market nowadays has witnessed a sharp increase in the housing price, especially in the Klang Valley (Khazanah Research Institute, 2015; Khazanah Research Insitute, 2014). Comparing the median monthly median income with the housing price offered in the market, it is almost impossible for the younger generation to buy a home because the price is more than three times higher than their average monthly income (Zhu, 2013). Even if there are certain housing projects within the affordability of the citizens, the location becomes the issue due to longer times in daily commuting to the workplace, which consequently will affect their social well-being.

The fourth element is financing, which refers to any financial assistances from any financial institutions. For example, in a scenario where a person need to obtain a mortgage from the financial institutions to support the application to buy a home (Arudel & Doling, 2017; Lennartz, Arundel & Ronald, 2015; Ahmad et. al., 2015; Khazanah Research Institute, 2015; Tiwari & Moriizumi, 2003). In Malaysia, most of the commercial banks set very tight requirements for the loan financing. For instance, Bank Negara highlights that monthly commitments on paying instalments for a house, car and other payments should not exceed 1/3 of our gross monthly household income (Bank Negara Malaysia, 2015). These requirements are some of the reasons why the young urban cannot own a home. Most of the commercial banks look at the income of the potential borrowers before deciding to entertain them. The situation is even worse for the self-employed as some of them do not have complete financial records or documents though they can afford to own a home.

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1.4.3 Location

The location is another element that people often take into consideration when choosing a home (Ahmad et al., 2015; Li, 2015; Bruce & Kelly, 2013; Yip, 2013; Hilber & Liu, 2008). This variable combines the elements of accessibility, the availability of the services, materials, facilities and infrastructure; habitability and cultural adequacy. Fact Sheet 21, The Right to Adequate Housing (Un-Habitat, 2009) stated that people must be able to access services, materials, facilities and infrastructure available such as safe drinking water, adequate sanitation and others. Housing is considered as inadequate if people; irrespective of marginalised or disadvantaged, are not given the rights and access to housing either through renting or homeownership (Izuhara, 2015; Bruce & Kelly, 2013; Yip, 2013; Tan, 2012). In terms of the habitability, the living conditions of the people must satisfy the minimum-security needs such as free from any threats and hazards. Housing must also allow individuals to express their cultural identity (Atasya, Ernawati, Hasnanywati, & Hamizah, 2015). When all those elements are unavailable, it distorts the young people from enjoying their housing opportunities (Tan, 2012).

Most of the housing developments projects in Malaysia are based on the location. Houses are built in prime locations, which are offered at a very high price and most of the types of properties are luxurious condominiums, service apartments and bungalows. Housing developers usually prefer to build t houses at this location because they can determine the price based on it. This situation has created inequality among the have and have not. The segregated residential location, consequently affects the lower income group as they find it difficult to get access to public health, schools and other public amenities and in turn, impacts on their social well-being (Yang, Wang & Wang, 2015; Filandri & Olagnero, 2014).

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1.4.4 Housing knowledge

Housing knowledge concerns on any information and understanding regarding housing especially on housing policy, initiatives and schemes offered either by the government or relevant parties that provide housing opportunities for the young people. Knowledge about housing and financial matters are important elements in influencing housing opportunities of the people (Teixeira, 2014; Yang, Yi, Zhang & Zhang, 2013; Visser, Bolt & Kempen, 2013; Atiles & Bohon, 2003). Lack of information about housing resulted to a poor choice of housing selections as people do not obtain enough information about housing matters in their pursuit of adequate housing.

The government had intervened through several initiatives in order to improve the housing opportunities of the young generation. For instance, the introduction of Program Rumah 1Malaysia (PR1MA), My First Housing Scheme (MFHS), Rent-to-own (RTO) scheme and a few other schemes under the States government and other housing agencies. Despite the government approach to improve the homeownership rate in this country, many are not aware of such schemes and initiatives and even though some of them are aware about this, they do not know whether the schemes can assist them in their pursuit of adequate housing. Thus, knowledge on housing aspects need to be exposed, promoted and improved at the very beginning so that it can facilitate their transition towards independent living and making a right housing choice (Nor Hartini, 2014; Zyed et al., 2014).

An interview with the younger working household in Malaysia highlights that among the factors that determining their housing opportunities to either by renting or owning is financial literacy. Houses seem unaffordable due to lack of financial literacy. Apart from that, since not everybody aware and understands the appropriate financial

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management; as how much money they should save or invest relating to buying a house, it hinders their opportunities to adequate housing (Zyed et al., 2014).

1.4.5 Structural factors

The fourth important element in determining the adequate housing opportunities is the structural aspect. It refers to the administrative aspects that consist of elements such as the government housing policy as well as government programmes and initiatives. The researchers have discovered the role of government policies and institutional arrangement in influencing housing opportunities particularly on homeownership (Arundel & Doling, 2017; Mackie, 2016; Blanco et al., 2016; Lieberg, 2013; Spilerman & Wolff, 2011) and the transition to adulthood among young people (Moreno, 2012). The government has to ensure that every citizen can get access to quality housing that best serves their needs (Yip, 2013; Yang et al., 2013; Moreno, 2012). The government too has come up with various housing programmes such as the public housing for those in the category of low-income and introduced several housing initiatives to encourage the home-owning democracy. All of the initiatives have been introduced to help people to own their home through the development of affordable houses. Nevertheless, there is criticism towards the programmes concerning to what extent the plans and schemes can reach the targeted group. This has also triggers the sandwich class society that cannot enjoy the benefits provided and at the same time cannot afford a home offered by the private market (Bontje, 2016; Ying, Luo & Chen, 2013). Despite various initiatives been developed, there are still people who are excluded from the targets.

Apart from the independent variables (socio-demographic, affordability, location, housing knowledge and structural) proposed in this study, the dependent variable used in this study is housing opportunities. Many studies pertaining to the housing issues have

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used the term affordability and accessibility to homeownership in their studies but very little has used the term opportunities in explaining the housing issues among the respondents. This study does not use the term affordability as the dependent variable, as it is merely based on the economic aspects. Since this study is concerning more on the social aspects, thus employing opportunities to adequate housing is much better as it represents the whole aspect.

The researcher believes that the challenges faced by the younger generation nowadays in their pursuit to adequate housing do have an impact on their housing opportunities. Therefore, this study chooses to use the term opportunities to adequate homes in explaining the difficulties among the young people in their pursuit to adequate homes so that they can live independently. It includes the discussion on the affordability, accessibility and the rights to adequate housing not only from the aspect of homeownership as debated by past studies but also from the wider perspective of housing opportunities available such as rental and any other viable housing tenure that suit the needs of the younger generations in this country. A postgraduate study regarding access to housing in Cape Town views the status of the housing tenure as the measurement of the access (Chisonga, 2012). It looks at the status of renting, owning and other accommodation in clarifying the dependent variable used in the study.

The right to adequate housing was outlined in an international human rights law as stated in Article 25 (1) of the Universal Declaration of Human Rights. Furthermore, it refers to the right of everyone to have an adequate standard of living for themselves and their family, including adequate food, clothing and housing, and to the continuous improvement of living conditions (Article 11, The International Covenant on Economic, Social and Cultural Rights). Moreover, the government as stated in Eleventh Malaysia

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Plan also aims to increase access to affordable housing among the people (Economic Planning Unit, 2016).

Adequate homes and adequate housing are used interchangeably in this study. In addition, adequate housing (adequate homes) does not only mean having four walls and a roof, but it must consist elements such as security of tenure, availability of services, materials, facilities and infrastructure, affordability, habitability, accessibility, location and cultural adequacy to be considered as adequate housing (United Nation Habitat, 2009). Besides, access to adequate and affordable housing as stated in National Housing Policy is viewed as the access to the adequate shelter either by owning or renting the affordable houses (National Housing Department, 2016). Under those circumstances, employing opportunities to adequate homes among the young people as the dependent variable is comprehensive and suitable for examining the housing issues among them. Therefore, this study defines housing opportunities as the rights and access to adequate and affordable housing.

As shown above, this research will analyse the variables to examine whether there is any association between them which influences housing opportunities among young people, particularly opportunities to enter suitable housing tenure either through homeownership, rental accommodation or any other available housing options.

1.5 Significance of the Study

Several parties will gain benefits from this research; as the following:

First is for young people: Under the existing housing policy, the young people do not enjoy any benefits provided by the government because most of the housing programmes

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are designed to cater the lower-income group. In fact, the public housing programmes for renting and owning are also specified to the particular group of people. Some of the housing schemes such as the recent Youth Housing Scheme and My First Home Scheme have included them in such programmes, but still, this group of people cannot own their homes because either the price is too high, or their salary exceeds the guidelines set by the government.

The current situations have placed them at the risk of not owning homes, thus making them a homeless generation, living in poverty of no sustainable life and unable to achieve their independent living. Therefore, this study is pertinent to identify the challenges faced by them so that the reformulation of policy can be proposed to give the opportunities for them to access to various housing options and at the same time protect their social well-being. It is hoped that having various housing options according to their financial adequacy can reduce their housing stress and create better quality of life. Furthermore, they can increase their participation in the community as well as improve their productivity, which indirectly contribute towards development of the nation.

Secondly, the owners of the policy / Stakeholders (i.e., Government, Administrators): The government is trying to fulfil their responsibilities to ensure all citizens have access to adequate and affordable homes through the creation of various housing programmes and schemes. Nevertheless, the programmes under this housing policy seem inadequate in accommodating the young people to own their homes or at least provide better housing options for them. For that reason, this existing policy needs to be improved so that it would not be criticised by the society as the ill-advised policy or the policy that is politically driven without social obligations. Housing is an essential need for the citizens.

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Thus, the policy needs to be inclusive in terms of its coverage and does not exclude any of citizens regardless of ethnic, status, class or background.

Therefore, this study will benefit the government and agencies involved in social housing because they can reformulate the existing policy to a better housing policy; based on empirical evidence gathered from this study. Furthermore, this study will propose controlling or monitoring mechanisms that can be used by the government towards the stakeholders, especially the private developers from being too greedy and centred on elites only. Since most of the lands in Malaysia are owned by the government, the private developers must be socially accountable in providing affordable homes to the people without compromising their social needs.

Thirdly, is to the society: A housing policy is an important policy for social integration. No one can be denied rights to own homes. Current situations show that there is an indirect practice of social exclusion towards some sections of the society. The social housing policy is supposed to integrate the society so that everybody can live in peace, and harmony; not disintegrate them. Thus, this study is relevant because should the government redesign their housing policy that is more affordable, inclusive and comprehensive from all aspects, none of the citizens will suffer from social exclusion.

Fourthly is contribution to the knowledge: This research is vital as only a few studies have been conducted in Malaysia regarding the challenges faced by the younger generation, especially among those living in urban areas. Therefore, this study looks forward to contributing to new perspectives, new approaches and methodologies in understanding the issue and planning for better housing for the future younger generation. Regarding the social policy, the value of this study hopes to provide critical analysis,

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evaluation and research for active policy development, thus acts as a good starting point for remapping our social policy related to housing.

1.6 Outline and Structure of the Thesis

This thesis consists of eight main chapters. Chapter One, which is the background of the study explains the problem statement of the study, research objectives, scope of the study and significance of the study. Chapter Two describes the conceptualisation of the variables used in this study; the housing policy and the classification of housing policy regimes. The discussion on the housing policy and practices in Malaysia and comparison with international perspectives is also discussed in this chapter. Chapter Three elucidates on the analytical framework of this study which comprises the explanation on the housing issues in Malaysia particularly among the young people. Furthermore, this chapter deliberates on the contributing factors influencing adequate housing opportunities among young people. Chapter Four outlines the clarification of the methodology employed in this study. To present the analysis of the empirical evidence, this thesis divides the discussion into several chapters. Chapter Five discusses the challenges faced by young people in their pursuit of adequate housing. Chapter Six presents discussions in order to examine whether hosing policy and practices in Malaysia are deficient in providing housing opportunities for the young people. Chapter Seven proposes in detail the alternative housing strategies in response to the housing needs of the young people in their pursuit to live independently. Finally, in Chapter Eight, this thesis reaches the conclusion based on the findings and sums up the discussions answering the research questions and policy implications.

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CHAPTER 2 : LITERATURE REVIEW: HOUSING POLICY AND PRACTICES IN MALAYSIA

2.1 Introduction

The aim of this chapter is to provide an understanding of the housing policy and practices in Malaysia. The researcher has divided the discussions into five main parts. The first part deals with the concepts used in this study. The terms such as housing, home, homeownership and housing opportunities are conceptualised and elucidated in this part. The second part provides the explanation on the conceptualisation of housing policy and the classification of the housing regimes. The third part provides an overview of the socio-demographic profiles of Malaysia. The fourth part will then go on with the discussion on Malaysia housing provision starting from the First Malaysia Plan (1MP) until current Malaysia Plan (11MP). The fifth part deliberates on the government intervention with the focus given to the housing schemes and initiatives promoted by the government. The author also has embedded the discussion on housing policy and practices from the perspective of Malaysia and other international countries such as the United Kingdom (UK), Australia, Singapore and Hong Kong.

2.2 Conceptualisation of Terminology

This section elaborates on the terminology used in this study. This includes the conceptualisation of the terms housing, home, affordable housing, young people, independent living, housing tenure and housing opportunities.

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2.2.1 Housing and home

Housing is important in human life. It does not only provide protection to the occupants of that house, but it also gives the sense of identity to the people (Hamzah & Adnan, 2016; Noor Sharipah, 2011). Regardless of the housing tenure, one should be given the right to housing, be it through renting or owner-occupation. Rights to housing have been internationally recognised and outlined by the United Nation Habitat on the provision of adequate housing to all. It stated that every human being must enjoy the rights to an adequate standard of living. (United Nations High Commissioner, 2009).

Haytham (2012) in his research defines housing as a study of the housing market and also the residential units coupled with the study of the difficulties faced by people in finding an appropriate and affordable housing which satisfies their expectation. Ha (2013) in her review of housing markets and the government intervention in East Asian countries defines housing as a central component of the individual's life which interconnected with socioeconomic and political environment of such countries. She agrees that housing serves not only as consumption goods, but become the asset to the owners. Apart from that, Levitin and Wachter (2013) in their analysis regarding housing bubble in the United States (US) view housing as a unique asset which serves both as a basic consumption and acts as investment product.

Besides, Kemeny (2003) in his book entitled Housing and Social Theory states that housing is denoting as the bricks and mortar or other building materials that comprise the constructions within which people live. Housing is more than just a shelter and more than just a roof over one's head (Kemeny, 2003; United Nations High Commissioner, 2009). The United Nations Committee on Economic, Social and Cultural Rights has drawn that a right to adequate housing is more than a right to be housed, yet it must be

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regarded as the right of a person to live in a place where elements of security, peace and dignity are upholding.

Furthermore, housing is viewed as adequate only if everyone, irrespective of owners and non-owners of the house, has a safe and secure place to live. Moreover, Mulder and Lauster (2010) describe housing as a home where families and households are connected. Besides, Economic Planning Unit (EPU) (2016) describes housing as a shelter which provides liveable environment that can shape and enhance human behaviour which in turn contributes towards the socioeconomic development and improve the wellbeing of the communities.

As much as the term housing is imperative in the housing studies, understanding the meaning of home is vital too. Home is more than just a physical structure or building. It provides deeper meaning to the occupants as a place for family gathering and social bonding where all the social activities are taking place. Malpass (2005) highlights that home is more than just a building or physical structure, yet it provides the element of security, privacy, autonomy, reflection of personal identity, choice, achievement and individuals' pride.

Easthope (2004) reviews several literatures regarding the term 'home' and has summed up that home is referring to a kind of place that is special because it provides the social, psychological and emotional attachment to the people rather than seen as a physical structure. Then, Hamzah and Adnan (2016) conclude that the meaning of home is not only seen based on the tenures, yet it must look beyond it, where people interact, adapt and adjust to the environment they live in. Meanwhile, a study conducted by Parsell (2012) discovers that home is a house, acts like a place of comfort, safety and control.

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The term housing, house, home and dwelling are often used in housing studies. Nevertheless, it is useful to conceptualise the term 'home' or 'dwelling' as residence since it focuses on the wider social structural relationship. In explaining this, Kemeny (2003) says *"…Housing is not just about dwellings, nor even just about the households that live in them. Nor is it limited to the interaction between households and dwellings in, for example, the home. It also includes the wider social implications of housing" (p.10).*

In sum, the researcher concludes that the term housing and home are defined in various ways. Housing in which commonly referred as a house, dwelling or home is regarded as more than a shelter where it gives protection and has social implications towards the occupants. While a variety of definitions of the term housing and home have been suggested, this study defines housing as a place or a residence irrespective of its tenure where people live and perform various social activities. The term housing and home are therefore used interchangeably in this study.

2.2.2 Young people

There are numbers of housing studies focusing on young people that provide a variable definition about the term 'young people'. The term young people, young adult and youths are used in different housing studies. Bessant & Johnson (2013) in a study on Declining Homeownership among Young Australians define young people starting from the age of 25 to 44 years. Other studies have framed young people aged between 15 to 35 years (Moreno, 2012); 18 to 35 years (Deng, Hoekstra, & Elsinga, 2016; Hoolachan, McKee, Moore, & Soaita, 2016), 18 to 34 years (Beer & Faulkner, 2013); 17 to 37 years (Campos, Yiu, Shen, Liao, Maing, 2016). Meanwhile, Bruce and Kelly (2013) in their study among young Australian refer them as Generation Y; those who were born between 1979 to 1990; while Li (2015) defines Generation Y as those born between 1981 to 1995.

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It is important to understand the challenges faced by young people as they are often excluded from housing ladder due to the difficulty in obtaining mortgage finance (Filandri & Bertolini, 2016). A report from Joseph Rowntree Foundation identifying the key challenges likely facing young people will be at the age of 18 to 30 years (Clapham, Mackie, Orford, Buckley, & Thomas, 2012). Another study has found that those who aged <30 years face significant challenges in accessing the housing ladder, thus making them as a renting generation (McKee, 2012).

According to Poggio (2013), young people between the age of 18 to 34 years have delayed transitions to adulthood as they experience housing difficulties. Similar age group is also represented in a study regarding housing transition among the young people in Australia (Beer & Faulkner, 2013). A study in Taiwan has used the term young adult in explaining the living arrangements between them (Forrest, 2013).

In Malaysia context, Zyed, Wan Nor Azriyati, Noor Rosly, Peter (2013) refer young people as the younger working households, aged between 20 to 39 years old and fell in the category of middle class. This group is considered at their early stage of career and building their family. Another study conducted by Ahmad et al., (2013) highlights the housing affordability problems among the younger generation in which they referred it to Generation Y. The authors see the young generation as youths where most of them are school leavers or university graduates who are at the beginning of employment.

Apart from that, there has been an increasing interest in a study about young people among the post-graduates. Chisonga (2012) in his study in Cape Town has used the term young people between the ages of 20 to 30 in discussing the issue of access to housing among them. Meanwhile, another study in Hong Kong employs young

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singletons age between 18 to 34 years in his study (Kwan, 2014). Other than that, young people aged between 25 to 34 were employed in a study on homeownership aspiration among young people in Hong Kong (Fun, 2012). In Malaysia, Zyed (2014) employs the term young working household age between 20 to 39 years in her study.

Furthermore, according to Fisher and Gervais (2011), young adults play an important role in housing market especially on homeownership because they represent majority of first-time homebuyers. Drew (2015) adds that the number of young adults is growing in the future, thus influencing housing demand. Therefore, it is pertinent to know their tastes and preferences which are different from the previous generation when designing housing (Boomers in the 1970s and 1980s). Above all, this study chooses to define young people as young working adults aged between 20 to 39 years old, based on the age cohort produced by Malaysian Department of Statistic.

Concerning younger generation, they are often regarded as an important category in urban restructuring and play a vital role in the economic growth with majority of them are first-time home buyers (Visser et al., 2013). Comparing to previous generation, Generation Y has unique characteristics as they are technology savvy, easily influenced by their peers, low loyalty in brands and often engage in social networks (Soares, Zhang, Proenca & Kandampully, 2017). They are willing to spend more in luxurious items and considered as brand conscious when making purchase decisions as compared to the previous generation (Giovannini, Xu, & Thomas, 2015). They are also flexible in buying expensive products and spending their money quickly (Parment, 2013). Younger generation perceive housing as a place to articulate their identity, thus has placed important aspect in the design of the house (Bruce & Kelly, 2013).

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2.2.3 Independent living

Issues such as housing problems, housing challenges, homeownership and the transitions from parental dependence to adult independence have been widely discussed by past literatures (i.e., Deng et al., 2016; Hoolachan et al., 2016; Hamzah & Adnan, 2016; Filandri & Bertolini, 2016; Lennartz, Arundel & Ronald, 2015; McKee & Hoolachan, 2015; Drew, 2015; Filandri & Olagnero, 2014; Hochstenbach & Boterman, 2014; Ahmad et al., 2013; Baqutayan, 2014; Zyed, Wan Nor Azriyati, Noor Rosly, Peter, 2014; Bessant & Johnson, 2013; Khan et al., 2012; Clapham et al., 2012; Tan, 2012; Moreno, 2012; Rugg, 2010; Terry, 2011).

In the transition to adulthood, one of the aspects that is important to look upon is housing (Izuhara, 2015; Lieberg, 2013; Moreno, 2012). Independent living refers to the process of leaving the parental home due to various reasons such as education, marriage, employment opportunities and family expansion. The author points out that young people who leave their parental home and seek for an independent home are in their effort to gain independence and enter the adulthood (Lieberg, 2009).

The independent living can be conceptualised by looking at the residential and financial independent. Residential/Housing independent is defined as living without a person from the household of origin. This, in turn determines the individual independence and the growth roles of responsibility. Achieving independence living reflects the personal identity and symbol of autonomy. Financial/Economic independence on the other hand is defined as having own sufficient income without relying on parental supports. However, the concept of residential or housing independent has often excluded from the financial dependent because it is hard to identify whether the young people really

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take charge on their own in their pursuit to independent living, especially on homeownership without support from their family (Filandri & Bertolini, 2016).

When individual leaves their parental homes and starts searching for the independent home, the process of living independently is beginning to happen. Independent living, therefore, provides two situations; socially and financially independent. Socially independent is referring to the situation where young people move from their parental homes yet still relying on their parents' financial assistance. Financially dependent on the other hand describes the situation where young people leave their parental homes due to job opportunities and manage to secure their own housing (Forrest, 2013).

Molgat (2007) describes the transition from childhood to adulthood by three leading indicators; (1) transition from education to employment, (2) from living with parental homes to living their own, and (3) from a single person to a family formation Throughout this paper, the term independent living is used to refer to the situation where young people leave their parental homes and start living on their own.

2.2.4 Housing Tenure

Housing tenure is referring to households housing circumstances which describe the situation of either the households are renting or owning the place they currently live in (Hulse & Mcpherson, 2014). Blanco, Gilbert and Kim (2016) identify housing tenure in Latin American Cities consists of ownership, renting and other forms of accommodations. In a meantime, housing system in the UK and Scotland are dominated by three housing tenure comprise of homeownership (individuals obtain a mortgage loan and pay for several years); social renting (rents are set at below market levels and tenancies are

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managed by not-for-profit landlords) ; and also private renting (rents are determined by the market, and tenancies are managed by private landlords), where homeownership is reported as the largest of these three sectors (Hoolachan et al., 2016).

Many studies (i.e., Zyed et al., 2014; Bessant & Johnson, 2013; Campos, Yiu, Shen, Liao & Maing, 2016a; Drew, 2015; McKee, 2012; Rohe & Stewart, 1996; Tan & Khong, 2012; Thompson, 2013; Yu, 2006) have emphasised on homeownership, yet, they do not clearly define what homeownership is. It has been observed that the meaning of homeownership was explained by the previous studies by looking at its benefits and contributions to either individual or society. Tan and Khong (2012) in their study outline that homeownership provides homeowners with a greater sense of control over their housing units.

Above all, homeownership can be understood as owning the place (house), where households live, and many countries including Malaysia have made it vital in their national agenda in promoting the home-owning society. A study conducted in Malaysia indicates that homeownership is referring to the homeowners who have the ownership of the place they live in (Zyed et al., 2014).

Renting and other types of accommodations, on the other hand, refer to the other types of tenure that popularly chosen by those who could afford the homeownership. Therefore, it is important to know the current living arrangements of the young people because it can provide an explanation for the housing tenure among them. Zyed (2014) describes that apart from promoting home ownership as a tenure choice in housing policy, the affordable rental sector has now become the favourable option for housing policy.

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2.2.5 Housing Opportunities

Everybody has the rights to housing. No one can deny this right regardless of the economic resources of the individual. More importantly, the rights must be seen as more than just the rights to have a shelter, but the right to housing must be enjoyed by everybody entitled to it (Rolnik, 2014; United Nations High Commissioner, 2009; Wissink, 2015).

Previous studies have primarily concentrated on homeownership (Campos, Yiu, Shen, Liao, Maing 2016; Bessant & Johnson, 2013; Izuhara, 2010; McKee, 2012) affordability (Poon & Garratt, 2012; Bruce & Kelly, 2013; Baker, Mason, & Bentley, 2015; Yang et al., 2013; Ahmad et al., 2013; Bramley, 2012) and housing accessibility (Kadi & Musterd, 2014; Marijin Sleurink, 2012; Yang, Yi, Zhang, Zhang, 2013). However, far too little attention has been paid to investigate the housing opportunities especially among young people. Therefore, this study chooses to employ the term opportunities because it represents wider context in explaining housing situations of the young people.

Opportunities to adequate housing are more than just the issues of affordability or homeownership. Instead, it concerns on the rights and accessibility to appropriate housing. Without the rights, anyone cannot have access to the housing market, hence; hinder their opportunities to adequate housing. Furthermore, accessibility refers to the ease of reaching goods, services and other activities. Specifically, accessibility includes opportunities to use a variety of services and facilities so that people can enjoy quality of life. Therefore, adequate housing must be accessible by every person entitled to it (Yang et al., 2013).

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A study conducted by Zyed (2014) suggests that the right to housing shows that everyone should have the opportunity towards adequate housing regardless of households' income group. Understanding the challenges facing them in their pursuit to adequate housing is vital to explain further the opportunities they have pertaining to adequate housing. (Lee, Parrott, & Ahn, 2012).

In Malaysia, its National Development Plan outlines the government aspirations to improve the ability of the people to own or rent houses (National Housing Department, 2010). Hochstenbach and Boterman (2014) analyse how the young in Amsterdam deal with the opportunities and constraint related to housing. Another study conducted by Ronald and Elsinga (2003) highlights the importance of policy makers to provide the opportunities for the people to buy their own home as a mean of wealth creation.

Although there are a number of research about housing issues among the younger generation, a few of them are focusing on the challenges and housing opportunities among them. Hence, it is pertinence to go deeper into the challenges and the housing opportunities of the young people in their pursuit to achieve independence living. Opportunities include both the rights and access to adequate, affordable and decent housing.

Numerous studies (i.e., Atasya et al., 2015; Kennett, Forrest and Marsh, 2013; Visser, Bolt and Kempen, 2013; Fox, 2009) have attempted to explain the housing opportunities among the young people. The reason for this study to use the term adequate housing is because it has been outlined in the National Housing Policy (NHP) that the government aspiration is to ensure that everybody, regardless of the income group, has access to adequate and affordable housing.

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The United Nation Committee on Economic, Social and Cultural Rights has also outlined the rights to adequate housing as the rights to have a shelter and live in peace, secure and dignity where components of housing adequacy are met (United Nations High Commissioner, 2009). The organisation views adequate housing as a house equipped with all the basic facilities, infrastructure, safety, security and dignity. A house can only be considered as adequate if there is availability of the services and cultural adequacy is fulfilled. Therefore, adequate housing opportunities have been used in this study to refer to the rights and accessibility to have a shelter, either by renting or owning that is affordable, adequate and decent.

The term affordable housing placed a significant role in this study. There is no precise definition of affordable housing, and it varies from one country to another due to the economic, social and cultural aspects. It is widely understood that the term affordable housing refers to a place of shelter that is considered reasonable and acceptable. Meanwhile, Chiu (2013) in her study stated that affordable housing is referring to the situation where there is a guaranteed access to decent housing which corresponding to the housing users' socio-economic status. In the case of Malaysia, the term affordable home is diversified, given that the government threshold is RM300,000, other professional association has stated it as RM400,000 while REHDA cited it as RM500,000. Therefore, they should be a uniform definition of affordable home price threshold for the Malaysian property market (REHDA Institute, 2016). On the other hand, decent housing is referring to an adequate physical shelter (Doling & Ronald, 2010).

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2.3 Housing policy and practices

This section conceptualises the housing policy and outlines the classification of housing policy regimes. The description on the welfare state regimes is given based on a study conducted by Esping-Anderson (1990). Further discussion on the housing regimes are presented based on the analysis of housing scholars in the Western countries (i.e., Doling & Omar, 2012; Hoekstra, 2003; Kemeny, 2006; Anderson, 1990) and East Asian countries including Malaysia (i.e., Ha, 2013; Doling and Omar, 2012; Ronald & Doling, 2010; Agus et al., 2002; Doling, 1999b; Park, 1998) which guide the direction of this study in terms of the housing policy system.

2.3.1 The conceptualisation of housing policy

Matters pertaining to housing have always been of the government interest. The welfare issues are often associated with education, health-care, social security and housing. In addition, it also forms part of the elements of social policy where concentration has been made to the housing (Harloe, 1995). As much as housing is regarded as a welfare pillar, Torgersen (1987) on the other hand describes it as the 'wobbly pillar' because housing is considered as a market product, thus making it unstable as the welfare component.

Moreover, Kemeny (2006) in his review on corporatism and housing regime has agreed that a housing sector is one of the welfare pillars but falls between the state and market. This statement argues that it is not the state alone that is obligated to provide houses for the entire citizens, rather the market intervention is necessary to ensure the success of the housing provision to all.

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Since housing is one of the core needs of the citizens, the government through its national five-year plan has highlighted the importance of housing provision in their development plan (Shuid, 2015; Zyed et al., 2014; Cagamas, 2013; Ha, 2013; Agus et al., 2002). A policy on housing is needed because it acts as a guideline and blueprint of what the government wishes to do and must do (National Housing Department, 2010).

In the housing studies, the influence from the state has form the importance element on the provision and consumption of housing (Khazanah Research Institute, 2015; Ha, 2013; Faizah, Wan Nor Azriyati, Noor Rosly, Ibrahim, 2012; Kemeny, 2003; Agus et al., 2002; Doling, 1999b). This issue is further highlighted by Zyed (2014) in her study which explains the housing policy as one of the instruments used by the state to intervene in the market. The states then intervene through the provisions of affordable housing mainly for the poor in line with the objective of housing policy to ensure everybody is guaranteed to affordable and adequate housing.

Little is known regarding a precise definition of housing policy given by researchers in their housing studies. However, Angel (2000) in his work based on the empirical evidence of 53 industrialised and developing countries has argued that since there is unclear definition of what constitute housing policy, thus, the definition of housing policy needs to be viewed from the perspective of housing policy environment. He refers the housing policy as a set of government interventions which influence the performance of the housing sector. Based on the Encyclopaedia of Urban Studies, housing policy can be defined as the government actions to achieve the housing objectives such as the improvement of the quality of the housing and the issues of homelessness. Housing policy is also described as the government intervention in the housing field (Hutchison, 2010).

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In Malaysia, the housing policy is referring to the government tools in assisting the private sector to respond to the Government's aspiration in providing adequate and affordable houses for the lower income group. The Secretary-General, Ministry of Housing and Local Government, Dato' Ahmad Haji Kabit further outlined that housing policy consists of the directions, planning and development of the housing sector at the Federal, State and Local levels (Cagamas, 2013; National Housing Department, 2010).

2.3.2 Classification of housing policy regimes

There are various classifications of housing policy regimes by different scholars. Esping-Anderson (1990) in his book 'Three World of Capitalism' has discussed the welfare state regimes and classified them into liberal welfare state regime, conservative/corporatist welfare state regime and social democratic welfare state regime.

2.3.2.1 Liberal housing policy regime

In the liberal welfare regime, the state plays minimum intervention in the market. This is due to the strong market orientation. In this system, private companies provide most of the welfare services. Moreover, private developers (market) initiate and build the housing provision and is considered as a private good where the developers develop the housing project for the consumers who could purchase.

An analysis by Doling (1999b) regarding the housing policies regime points out that private sectors dominate all of the stages in housing provision, which often associated with the pure capitalist country. The states have no actual planning for the housing arrangements and highly dependent on the market to provide the housing for the people.

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The market participates in all the three housing activities starting from development, construction and consumption stage.

Since housing is under the responsibility of the speculative builders, thus the housing provision is offered in the form of homeownership or private renting. Therefore, housing is highly commodified as the entry to this tenure is determined based on the ability and willingness to pay. Siti Hajar (2011) has further discussed on the practice and stated that liberal supports the lasseiz-fair capitalism whereby it discourages the state's intervention in any of the country's economic development. Apart from that, states play a residual role as their intervention is at the minimum level. The intervention will only take place if the people are incapable of surviving in the market place. For instance, the government will only provide the assistance in the forms of subsidies or any other supports to the marginalised group such as the low-income group which act as safety nets (Ha, 2013). According to the residual welfare model, the state is not the primary social service provider to the public; rather, it lies in the responsibility of each individual, family institution and voluntary organisation (Siti Hajar, 2011; Doling, 1999b).

Based on the Esping-Andersen's typology, Hoekstra (2003) has reviewed the housing system of Netherlands and explained that there are a few aspects of the liberal system exist which formed the price regulation of the house and the determination of housing allocation of the non-subsidised newly built owner-occupied dwellings or existing owner-occupied dwellings. In the 1990s, the Dutch housing system became more corporatist as compared in the year 1980s. The housing policy that had supported the traditional institutions such as family resulted to the decreasing of the social-democratic traits. The subsidies that were normally given by the central government were then replaced by the new subsidisation practice whereby the states subsidised funds

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administered by either local authorities or provinces. Through this, the local authorities had the power to decide on the housing projects that they wanted to subsidise yet made the central government lost its power on the housing system in that country. The corporatism practice was different from the corporatism as promoted by Esping-Anderson (1990), thus resulted to a new term in which they called it as modern corporatism. Several countries that represent liberal welfare regime are the United States, Australia, the United Kingdom, Ireland, Canada and Hong Kong (Siti Hajar, 2011; Anderson, 1990; Doling, 1999b; Ha, 2013; Hoekstra, 2003).

2.3.2.2 Social Democratic housing policy regime

The state plays prominent and dominant roles in the provision of welfare services to the citizens in the social democratic welfare state regimes. The state is responsible for providing adequate welfare for the large proportion of its citizens (Esping-Anderson, 1990). Most of the countries that are practising this type of regime (i.e., Finland, Netherland, Belgium, Sweden, Norway, Denmark, Iceland) have matured and developed welfare institutions (Siti Hajar, 2011). Unlike the other Western countries, this kind of welfare regime offers all their social services to all segments of population to safeguard their wellbeing (Esping-Anderson, 1990).

According to Siti Hajar (2011), there are four main features of the social democratic regime. The first is social welfare service which is intended to all segments of population, not only for a specific group of people in which the author refers it under the universalism characteristic. Second is when there is a social equality among all, especially concerning of class and gender. The third feature is when the state is entirely accountable for the social welfare matters whereby the state is responsible in the whole welfare process starting from planning, providing, production and social delivery

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services. The government intervention is comprehensive and systematic in ensuring all its citizens enjoy their rights. The final characteristic is the regime emphasis on the optimum use of their sources in their economic activities.

Concerning the welfare model, this regime is believed to practise the institutional model because of the full state responsibility in providing the social services to its people including the main area of social development such as education, health and housing. This situation leads to the high level of de-commodification (Esping-Anderson,1990). Besides being a planner, the state also plays countless roles such as a financer, administrator, provider and delivery in the social welfare delivery (Siti Hajar, 2011). The countries that belong to this type of regime are Finland, Belgium, Netherlands and other Scandinavian countries including Sweden, Norway, Denmark and Iceland (Siti Hajar, 2011; Anderson, 1990; Hoekstra, 2003).

2.3.3.3 Conservative/corporatist housing policy regime

In comparison with the liberal and social democratic welfare state regimes, the conservative or also known as corporatist is often associated with the resistance to change. The conservative supports the idea of having 'status quo' which they preserve their existing way of life. They refuse to change especially on the radical changes as they view changes could bring harms to them (Siti Hajar, 2011)

In this regime, the family institutions and religious groups play prominent roles in providing welfare to the citizens. Hence, the role of the market and state is minimal due to the intervention of these institutions in their social services. The family is assumed to be the primary social providers for their members. Also, the church, mosques, temples and other non-profit organisations are important in helping those in marginalised groups

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such as disabled persons, children and the orphanages. With this, the people are categorised based on their social class and will be protected by their own traditional institutions that they belong.

A study conducted by Kemeny (2006) has discussed the housing regime from the perspective of corporatism. He argues that the social democratic welfare regime hypothesised is primarily corporatism due to the relationship between the integrated welfare markets and corporatist power structure. Countries that best fit corporatist welfare state regimes are Austria, Germany, Italy, Belgium, Portugal, Spain, Italy, Pakistan, Afghanistan, Iran and a few other radical Islamic countries (Siti Hajar, 2011; Hoekstra, 2003; Esping-Anderson, 1990). The summary of the housing regimes discussed above is presented in Table 2.1.

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Table 2.1: Summary of the Housing Policy Regimes (Author, 2017; Hoekstra, 2003)

Aspect	Liberal	Social democratic	Conservative/Corporatism
1. Market roles	• Minimum state intervention (residual role)	• High level of state intervention	• State intervention is limited and only interferes if the family capacity to service its members is weak.
2. Housing policy objectives	• Private actors dominate the market • State only supports the minorities	• Guaranteed universal high level of housing quality	• Social stratification in the society is preserve • Special treatment of the traditional family
3. Housing provision	• Initiated and built by the private market (private developers) • Housing as private good	• Provision of welfare service is dominated by the state. • States takes initiatives for the production of newly built houses	• Different group are entitled for different welfare services • Private actors (normally households, small companies) take the initiative for the production of newly built houses
4. Housing allocation	• Market determination of housing allocation	• Allocation on the basis of need	• Certain groups may be chosen in the housing allocation • State intervention only exists to correct the market
5.Decommodification	• Low-level of decommodification • Housing is considered as highly commodified	• High level of decommodification • Housing is highly decommodified	• Medium level of decommodification • Housing is quite large decommodified
6.State regulation	• Little state regulation	• Strong central government influence	• Functional decentralisation, incremental

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2.4 Housing regime in Malaysia

As one of the Asian countries, Malaysia has a larger proportion of the homeowners compared to the West due to its aspiration of becoming a home-owning society. In terms of the policy regime, Malaysia is considered to have both comprehensive and residual housing policies (Siti Hajar, 2011; Agus, Doling & Lee, 2002). The government intervened through policy formulation and various housing strategies, such as through the establishment of the National Housing Policy (NHP) which serves as the guideline for the planning and development of the housing sector and the introduction of many housing programmes and schemes targeted to the lower and middle-income groups.

Doling (1999b) in his analysis of the housing policies of the little tigers (i.e., Hong Kong, Singapore, South Korea and Taiwan) has categorised the housing regimes into liberal, communist and corporatist. In a purely capitalist country, market dominates all stages of housing provisions starting from development, construction and consumption. The states play residual roles only when households are unable to survive in the market. In this regime, housing is highly de-commodified, and the consumption reflects the ability to pay. In a real communist country, states participate and dominate all the three stages of housing provisions starting from planning until the distribution of housing whereas in a corporatist country, the states dominate the housing development and consumption while housing construction is left to the private market.

Concerning the housing provisions in Malaysia, states (the government) are involved in housing development, housing construction and housing consumption. However, the level of participation is different from each of the stages due to the operation of the free market and the institutional framework. At the developmental stage, the states determine the housing productions and the locations for the low-income housing.

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However, the market determines the housing productions for the middle and high-income groups. The states then impose the 30 to 50 percent guideline housing allocation for the low-cost housing and Bumiputra quota housing policy that must be abided by the housing developers for each of housing project. In the beginning, the government has major responsibility of providing housing for the public sectors employees but later encouraged the participation from the private sectors in housing sectors (Agus, 2002). With that, the government has restricted their roles in providing assistance only to the lower-income group while greater emphasis is given to the market (private developers) for the housing development of the middle and high-income group. The practice indicates that there is a less state-oriented system in Malaysian housing provision (Doling, 1999b).

In the housing construction stage, the government is involved in the constructions of public housing through states corporations while the market (private developers) takes part in the housing constructions of the medium and high-cost housing. Some states housing agencies (i.e., Syarikat Perumahan Negara Berhad (SPNB), Perbadanan Kemajuan Negeri Selangor (PKNS), Perbadanan PR1MA Malaysia (PR1MA), Kuala Lumpur City Hall (DBKL) participate in the housing constructions of affordable houses for the low and middle-income groups. Similar to Taiwan and South Korea, the housing policy system in Malaysia tends to move towards the liberal as the state has little involvement in the development and construction stages. There is a strong market intervention in this country whereby the government heavily relied on the private sector for the housing stock. A similar situation occurs in South Korea where housing construction is dominated by the private sectors rather than the state itself.

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Regarding the consumption stage, Malaysia is having a similar emphasis with other Asian countries like South Korea and Taiwan where housing consumption reflects the ability to pay for the high level of commodification. Since emphasis of Malaysia housing programs is on homeownership, thus housing consumption reflects market-driven which is liberal in characteristics. Although the government has outlined certain guidelines on the housing distribution such as Bumiputra quota policy, there is no uniformity in the practice. The housing development is built at different standards, which reflects the income of the individuals and their ability to pay hence indirectly reflects the power of the person in the market. As such, the high-income people are more entitled to the quality housing compared to those in the low-income category and housing is seen more as a commodity rather than public goods (Doling, 1999b). Although housing acts as an asset (Smith, 2015) which serves as an investment tool, it conversely affected the rights to adequate housing among people (Rolnik, 2013).

After all, the government plays prominent roles in all aspects of housing development, production and consumption; in which they intervene through the subsidisation, allocation, growth and redistribution but the intervention is minimal. Hence, there is no standardise or ideal types of housing policy regimes that can fit Malaysia as there could be more than one type of the housing policy systems that can fit the country housing provision. There is a mixture of the state (the government) and market (private developers) involvement in each of housing stages whereby one country may be liberal concerning the production but social democratic in terms of its consumption (Doling, 1999b).

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2.5 Socio-Demographic Profiles of Malaysia

Malaysia consists of two separate geographical areas; Peninsular Malaysia and Borneo Malaysia. It also made up of thirteen states namely Perlis, Kedah, Penang, Perak, Selangor, Negeri Sembilan, Malacca, Johor, Kelantan, Terengganu, Pahang, Sabah and Sarawak while three Federal Territories are comprising of Wilayah Persekutuan Kuala Lumpur, Putrajaya and one territory in East Malaysia (Ministry of Foreign Affairs of Malaysia, 2015). The central area of the study is Klang Valley, governed by Kuala Lumpur and Selangor. The area comprises of Federal Territories and other districts within its neighbourhood which includes Federal Territories of Kuala Lumpur, Putrajaya, Petaling, Klang, Gombak and Hulu Langat (Figure 2.1).

Figure 2.1: Map of Malaysia (Department of Survey and Mapping Malaysia, 2014)

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Based on the Population Distribution and Basic Demographic Characteristics Report (2010), the total population of Malaysia in 2010 was 28.3 million. Khazanah Research Institute (2015) has projected that a population in Malaysia will continue to grow to 32 million by 2020, thus indicates a high demand for the housing. The demand for housing is usually driven by households' demographic profile. The composition of the population in this country recorded that the high numbers of the population stood at the age of 20-24 years (34,879), followed by the age of 25-29 (32,565), 30-34 years (22,326) and 35-39 years (16,375) (Department of Statistic, 2015). A study conducted by KRI (2015) has supported the data by describing the working-age adult population (24-39 year-olds) is the highest compared to the other age-groups.

Department of Statistic (2015) has classified the household income groups in Malaysia into 20 percent of the high-income group (H20) and 40 percent of both middle (M40) and low-income groups (B40). Among these groups, the attention is given towards M40 and B40 because these two groups drive the economics of the country as well as sustaining the country's well-being. Besides, the social class plays an important role in the human resources, investments and entrepreneurship (Najib Razak, 2015). As a result, various social policies are designed to cater to this group including the housing aspect as it plays a significant role in people's wellbeing and act as wealth creation (Baqutaya, Ariffin, & Raji, 2016; Doling & Ronald, 2010; Ronald & Elsinga, 2012).

In the context of this study, it classifies young people into the age category of 20 to 39 years old, where it falls into the category of middle-income population. There is no specific definition of a middle-income group. Prime Minister, Dato' Seri Najib Tun Razak, during his budget speech dated October 23, 2015, was quoted to say that currently, M40 is defined as those household incomes between RM3, 860 to RM8,320. Nonetheless,

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the definition of middle-income group (M40) will be amended from time to time. On the other hand, PR1MA defines the middle-income group as those household incomes between RM2,500 to RM10,000. The definition is translated into their housing requirements for PR1MA houses (www.pr1ma.com.my).

As for the total population by states, Selangor has the highest number of the population at 5.46 million followed by Johor (3.35 million) and Sabah (3.21 million). Concerning population density, Wilayah Persekutuan Kuala Lumpur (WPKL) is the most densely populous state with 6,891 people. Malaysian population is divided into 91.8 percent citizens, and 8.2 percent are non-citizens. Malaysia consists of three ethnicities such as Malays (67.4 percent), Chinese (24.6 percent), Indian (7.3 percent) and others (0.7 percent). The statistics shows that there is 63.1 percent of Malays, which made them a predominant ethnic group in Peninsular Malaysia.

In the context of sex ratio, men outnumbered women by the high ratio of men in Pahang (113), Johor (112), Sabah, Negeri Sembilan (107) and Sarawak (106). Women outnumbered men in Putrajaya (89) and Perlis (97). Malaysia has witnessed rapid urbanisation primarily due to the internal rural-urban migration with the high level of urbanisation can be seen in Wilayah Persekutuan Putrajaya and Kuala Lumpur alongside Selangor and Penang (Department of Statistic, 2015). The most populous state is Selangor (5.4 million) followed by Johor (3.35 million) and Sabah (3.21 million). The situation of highly urbanised states is tandem with the country's rapid development.

Regarding household income, the median monthly household income in Malaysia for 2014 was at RM4, 585 compared at RM3, 626 in 2012. It has witnessed the growing rate of 11.7 per cent annually. Based on the household income by strata, urban areas

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experienced the growth rate of 9.8 percent, reported at RM5, 156 in 2014 compared to RM4, 238 in 2012. A similar situation occurred in rural areas where there was an increase of 13.8 percent per annum of the median monthly household income reported at RM3, 123 from RM2, 372 in 2012. The highest median monthly household income was reported in W.P Kuala Lumpur with RM7,620 followed by W.P. Putrajaya at RM7,512, Selangor (RM6,214), W.P. Labuan (RM5,684), Johor (RM5,197), Melaka (RM5,029) and Pulau Pinang (RM4,702) (Department of Statistics, 2015). On the other hand, regarding the mean monthly household income, Malaysian had increased from RM5, 000 in 2012 to RM6, 141 in 2014. W.P. Kuala Lumpur recorded the highest mean monthly households' income at RM10, 629, followed by W.P. Putrajaya (RM10, 401), Selangor (RM8, 252), W.P. Labuan (RM7, 591) and Johor (RM6, 207). The mean income in other states stood at RM6, 141; which is below the national level.

Consequently, the average monthly household income in the urban area showed an increment at the rate of 8.7 per cent annually from RM5, 742 to RM6, 833 in the period of 2012 to 2014. Mean of monthly household income in the rural area increased at the rate of 10.9 percent yearly from RM3, 080 to RM3, 831 in the same period. According to the percentage distribution of household income by class, it was reported that 81.8 percent of the population earned between RM2, 500 to more than RM5, 000.

In terms of the economic aspect, Malaysia currently has moved from production of raw materials such as tin and rubber to more diversified economy by becoming one of the leading exporters of electrical appliances, electronic components and parts, palm oil and natural glass. Also, Malaysia is classified as the upper-middle income economy by The World Bank (2016). Malaysia has witnessed the growth of more than 7 percent for the past 25 years as reported in 2008 Growth Report: Strategies for Sustained Growth and

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Inclusive Development by World Bank. These series of success highlight the significant achievement in Malaysian economic, resulted in the healthy development of the economic sectors. Furthermore, the economic growth in Malaysia is said to be inclusive and has witnessed the poverty reduction whereby households living below the national poverty level reduced significantly from more than 50 percent in the 1960s to less than 1 percent recently.

2.6 Housing Provision in Malaysia

As a result of urbanisation, the demand for houses in the urban areas such as Kuala Lumpur, Penang and Selangor keeps on increasing (Agus et al., 2002; Cagamas, 2013; Doling, 1999b). In Malaysia context, the urban area can be defined as a place with more than 10,000 people (Khazanah Research Institute, 2015). Specifically, as stated in Population Distribution and Basic Demographic Characteristics (2010), the urban area is referring to:

> *"…gazetted areas with their adjoining built-up areas which had a combined population of 10,000 or more. Built-up areas were defined as areas contiguous to a gazetted area and had at least 60 per cent of their population (aged 15 years and over) engaged in non-agricultural activities"*
>
> (p.121)

The highly urbanised area has led to the creation of slums and squatters, especially in the congested area. The failure of urban planning has resulted in the development of the slums as is evident that 88.9 million of the total population in South East Asia alone lives in slum areas (UN Habitat, 2016). The government has intervened in the housing system through policy formulation and initiatives to respond to the emerging needs. Kemeny in his book Housing and Social Theory (2003) highlights the dominant roles

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played by states intervention in the housing market which explains the importance of the government to intervene in the housing system through the legislation and practises.

Malaysia consists of three levels of government namely Federal, State and Local government. Powers and responsibilities of each level of the government are outlined in the Ninth Schedule and Concurrent Lists in Federal Constitutions (FC). The federal government is responsible for matters relating to regulations and issuance of licensing to the developers while the State government has the power and control over land matters including housing. Whereas, for the Local government, it has the authority regarding the issuance of development orders and approval of building plans, in which the power lies under the jurisdictions of State (Constitution, 2010; Ministry of Urban Wellbeing Housing and Local Government, 2013).

There are three main key players in Malaysia housing industry namely the government, state governments and the private organisations which in this case are the developers. Concerning the role of the state, it is divided into two categories; one is the Federal Government, and other is the State Government. The Federal government is represented by several ministries and government agencies such as the Ministry of Urban Wellbeing, Housing and Local Government (MUWHLG); the Ministry of Rural and Regional Development (MRRD) and the Regional Development Authorities (RDA); the Ministry of Federal Territories; the Prime Minister's Office (PMO) through the 1Malaysia People's Housing Programme (Perumahan Rakyat 1Malaysia or PR1MA); the Ministry of Finance (MoF) through Syarikat Perumahan Negara Berhad (SPNB); and the Ministry of Agriculture (MoA) (Cagamas, 2013). The federal government, through the MUWHLG, is responsible for formulating the policies and guidelines for the housing

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provisions, whereas the state government will be responsible for the implementation of the housing projects in the states.

The Federal government is responsible for formulating the policy and regulations for housing provisions. It can be seen from the establishment of the National Housing Policy (NHP) which serves as the guideline for the planning and development of the housing sector to all relevant ministries, departments and agencies and private sectors as well. The Federal agency is also responsible for providing the grants, loans and technical expertise for the housing development (National Housing Department, 2010). Apart from that, the Federal government is also responsible for the development of affordable houses specifically for the low-income group and housing for the civil servants. Shuid (2015) has identified the involvement of the Federal government in the housing industry from the aspects of financing, designing and building construction in which is handled by National Housing Department (NHD).

Similarly, in Western Australia, the government has intervened through various housing schemes concerning the needs of the housing among her citizens; especially the young Australians. The housing system in the country is managed by The Housing Authority (THA) that focuses on providing a diversity of affordable housing for people earning low to moderate incomes. On the other hand, the Housing Development Board (HDB) plays a significant role as a national housing authority in Singapore, as the focus of the housing policy in Singapore is to provide affordable and inclusive housing through a comprehensive approach. Ronald and Doling (2010) in a study regarding the East Asian approaches to homeownership agree that HDB has facilitated the expansion of home ownership through the development of the high-rise flats which became the pillar of

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Singaporean housing. As a result, around 85 percent of Singaporeans live in HDB flats as the government has made the flats affordable for all (Lee, 2014).

Meanwhile, in Hong Kong, the housing sector is being developed by a statutory body known as Hong Kong Housing Authority with a focus on public housing in Hong Kong. The main aim is to ensure victims of slum clearance or natural disasters and workers (skilled blue-collar and junior white-collar) are adequately housed. Not only that, public rental housing was introduced in Hong Kong as the promising tenancy for the low-income families to have a safe and more sustainable living environment for the elderly (Chiu et al., 2018).

In Malaysia, the government also has imposed 30 percent quota for allocation of low-cost houses in the housing project developed by private developers (Ariffin, Omar, & Sa'dun, 2013). Overall, the Federal government involvement in affordable housing provision can be seen from the establishment of specialised agencies such as PR1MA and Syarikat Perumahan Negara Berhad (SPNB) thus changing the structure of housing provision for the middle-income people. The State governments, on the other hand, focus on building the affordable housing programmes with cooperation from private developers (Shuid, 2015). Therefore, Malaysian housing policies are focusing on either the direct provision of low-cost housing especially for the lower-income group or subsidising the cost of housing for homebuyers, particularly those buying homes for the first time (Khazanah Research Institute, 2015).

On the contrary, the state government is responsible in identifying the State's land which is suitable for the development of affordable houses and for the selection of the potential house buyers. It is all due to the powers conferred by the State as outlined in FC

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for the land matters. Therefore, the state must allocate suitable lands at the strategic location for the housing development. Nevertheless, Malaysia still suffers from the shortage and unavailability of the land, and even worse, most of the lands in the city centre have been sold off to the private developers, thus making the housing development more expensive. Also, the rising cost of the building materials and labour has resulted in the increase of the construction costs such as sands, steels, cement and others. Since the construction of houses is relying heavily on the manual labours, the developers have to deal with higher construction cost, hence, it is translated into the higher price of the houses.

Moreover, the cooperation with the Federal government is held on the implementation of the low-cost housing projects in each state with the Federal government is responsible through the injection of funds. Besides, various state agencies are involved in the housing development such as Penang Development Corporation, Selangor State Development Corporation and Negeri Sembilan State Development Corporation.

The local government, on the other hand, is not directly involved in the development of housing except for the approval of the planning permission and building plan for the development of the houses both by public and private developers. Though the local government does not play any prominent roles in the housing development, the scenario is different in the major cities such as Kuala Lumpur and Petaling Jaya as the local government in these cities are directly involved in the administration and maintenance of the low-cost public housing (Shuid, 2015).

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In contrast, the role of the market can be seen from the development of the housing for the middle and high-income group. This initiative started during the 2MP (RMK2) when the government had assigned the roles of housing provision for both middle and high income to the private developers. The Privatisation policy, introduced in the 1980s has further strengthened the involvement of private sector in the national development.

The practice is relatively similar in Australia where the partnership between the government and industry has been introduced, and the authority is working closely with the industry to ensure the properties are developed for sale to the public at the price that is affordable for low and middle-income groups. All these efforts have shown the commitment of Australian government to ensure the demand for social and affordable housing is inclusive to all; that those who fall within the range of low to moderate income groups as the high-income earners can afford private housing.

The involvement of the private developers in the housing market marked the success of this country in reducing the housing problems, among the low-income people. In his work, Shuid (2015) highlights that the role played by the market especially for the low-income people has contributed to the success of the housing provision in Malaysia over the last four decades. In the 11MP, the role of the private sector in the development of the affordable housing for the low and middle-income group is further specified through the concept of public-private partnership. Together with this, the state and local government will continue to facilitate the development of affordable housing in their areas (Economic Planning Unit (EPU), 2016).

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Comparatively, in another Asian country such as Hong Kong, the land is owned by the state, the biggest landlord. Therefore, the Hong Kong government is capable of intervening in the housing market through the provision of public housing to serve the needs of their people. In a study conducted by Ha (2013) among East Asian countries, he reveals that the Hong Kong government has played a huge role in the provision of public housing which can be regarded as liberal intervention system. Similar to other countries, the provision of public housing in this country also targeted to the low-income group through the public sector rental and flats for sale at an affordable price.

Equally, in Singapore, the government has made used most of the lands for the public housing. Not only they have built the public housing, but they are also responsible for the maintenance and upgrading of the public housing to ensure those units will not degenerate into slums. The steps taken by HDB are solely to ensure all people are adequately housed; by providing public housing to those who have no capacity to rent or to buy a private property. Apart from that, the Singapore government also tries to consider all the citizens' preferences and needs in matching with their housing supply. Chua (2014) points out that HDB has succeeded in the development of the high-rise housing units which costs more than 1 million to accommodate around 90 percent of the permanent residents, which 85 percent of the residents are homeowners.

Meanwhile, Heo (2014) in her review regarding the development of Singapore housing policy from British administration has concluded that Singapore housing policy could be regarded as having strong involvement for the public housing which aims for development strategies and nation building processes rather than creating the entitlement to the social rights. Hence, contrary to Malaysia, Singapore has an inclusive and

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affordable housing where states act as providers of housing and at the same time play the roles of a facilitator and social engineer (Yuen, 2007).

Before independence, the provision of housing was intended for the government officials. It was made under the concept of public housing or known as 'institutional quarters' by the British administration for its employees working in the public institutions such as schools, hospitals and district offices (Doling & Omar, 2012). They concentrated only on the resettlements of Chinese residents in the New Village as part of their strategy to weaken the support for communist insurgency (Agus et al., 2002; Agus, 1997).

After independence, the housing provision was changed from the concept of public housing to the idea of housing for all. As highlighted by Agus et al., (2002), there was a tremendous change in the housing policy system from providing housing for government officials towards the home-owning democracy. Furthermore, in order to eradicate the poverty, the government emphasises the provisions of housing particularly for the lower income group in each of Malaysia Development Plan with the objective to provide adequate, quality and affordable houses (Doling & Omar, 2012).

In the First Malaysia Plan (1966- 1970), the provision for housing was only to promote the welfare of the citizens through the construction of low-cost housing undertaken by the state government with the funding from the Federal government. During this time, the participation from the private sectors was too low due to the weak economy. In the First and Second National Development Plans (1971-1975), the main provision was for the development of public housing to cater the needs of the lower income group irrespective of their races (Agus, 1997).

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The government played prominent roles in the development of housing for the poor while the private sectors catered for the middle and high-income groups. The National Consultative Council for Housing was established to formulate the national housing policy and programmes as well as to monitor the implementation. Other than that, Urban Development Authority (UDA) too was created for the development of the urban centres because of the rising of the slums and congestion.

Only in the Third Malaysia Plan (1976-1980), the government had specifically outlined the provision of housing. The main societal objective highlighted in this plan was to ensure that all Malaysians particularly the lower income group to have access to adequate shelters. It became the main tool in the poverty eradication programme and private sectors continued to serve other groups; middle and high-income earners. During this time, the Ministry of Housing and Village Development was responsible for the formulation of national housing policies and programmes for both the public and private sectors. Besides, during this national plan too, the government endeavoured to provide accommodation for all Malaysians through the appropriate housing programmes and incentives for homeownership.

In the Fourth Malaysia Plan (1981-1985), the objective as the same; to ensure all Malaysians especially the lower income group to have access to adequate housing. To this end, the government had built the public cost housing for the lower income people, settlers in the land development scheme and some categories of public sector employees while the private sector housing development for the middle and high-income groups was continued to be provided by the private developers. The development was built by the State government and Dewan Bandaraya (City Municipal) with the financial subsidies from the Federal government. As for the settlers, the houses have been constructed by

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Federal Land Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA), Pahang Tenggara Development Authority (DARA), Johor Tenggara Development Authority (KEJORA) and Terengganu Tengah Development Authority (KETENGAH).

In the Fifth Malaysia National Development Plan (1986-1990), the goal was to ensure all Malaysians especially the lower income people had access to adequate shelters and related facilities with the government emphasised on the development of lower income housing programmes while private developer focused on the medium and high-cost housing programmes mainly in urban areas. The targets were further expanded in the Sixth Malaysia National Development Plan where the emphasis was also given towards the provision of the affordable housing targeted for the lower income group.

In the Sixth Malaysian Development Plan (1986-1990), the provision of housing was laid down in Chapter XIV under the social development content. The primary objective of the housing policy in this era was to provide access to adequate and affordable housing to all income levels with the focus on the low-income group. Not only it aims to provide affordable housing for all but also to encourage social integration through the development of the housing which covered all the basic needs and facilities such as schools, clinics, shops and other facilities.

The provisions for the public housing were further expanded in the Seventh (1996-2000) until Ninth Malaysia Plan (2006-2010) which emphasis was given to providing adequate, affordable and decent houses for all the citizens. It was reported that at that time, both public and private sectors continued to provide affordable houses for sale or rent. The focus, however, was still towards the low-income group with the understanding

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that private housing markets were available to cater for the middle and high-income people (Economic Planning Unit, 2013). Syarikat Perumahan Negara Berhad (SPNB) was established in 1997 to facilitate the government efforts towards providing houses for the citizens. The First Homeownership Campaign was introduced in 1998 to enable people to own a house (Economic Planning Unit, 2013).

Housing provisions continued to be in the Malaysia Development Plan as housing has played pivotal roles in contributing towards the economic growth of the nation (Shuid, 2015). Moving forward, the aims of the housing policy in this development plan had shifted from providing sufficient housing stocks to inclusive housing with the focus on housing that is safe, healthy and sustainable (Economic Planning Unit (EPU), 2014). As a result, National Housing Policy (NHP) was introduced in line with the Malaysia 10th National Development Plan (10MP).

The policy served as the guidelines for the relevant ministries, all departments at Federal, State and Local levels as well as the private sectors for the planning and development of the housing sector. There are three main objectives of this policy in which they aim to provide adequate and quality housing with comprehensive facilities and a conducive environment; enhancing the capability and accessibility of the people to own or rent houses; and setting future direction to ensure the sustainability of the housing sector (National Housing Department, 2010).

To facilitate the objectives of the NPH, the NHD (2010) outlined six policies thrust. First, providing adequate housing based on the specific needs of target groups. Second, was improving the quality and productivity of the housing development. The third was increasing the effectiveness of the implementation and ensuring the compliance

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of the housing service delivery system. Fourth was improving the capability of the people to own or rent houses. Fifth was sustaining the housing sector. The last thrust was enhancing the level of social amenities, essential services and liveable environment.

This study is pertinence as it reflects the fourth of the government policy statement that aims to improve the capability of people (*rakyat*) to either own or rent a house. In ensuring the success of the housing development, there are various issues lingering within this sector which need to be addressed by the relevant parties. Among the challenges highlighted are in terms of the quality of the houses built, the abandoned housing projects, the increasing demand for the low and medium cost houses, the unsuitable location of the existing affordable public housing, the distribution of affordable housing and the affordability and accessibility of the people to own or rent a house which become the focus of this study.

As outlined in the Tenth Malaysia Development Plan (RMK10) (2011-2015), the provision for affordable housing programmes and low-cost housing would be expanded to continue to assist the people, especially among the bottom of 40 percent households to own a home. Working towards this, the government encouraged the private sector to develop more affordable medium-cost housing which includes the element of adequacies such as better facilities and access for disadvantaged people such as the elderly and disabled persons (Prime Minister Office, 2016).

As agreed by Shuid (2015), the government should continue to focus on providing an adequate and quality housing for people to buy or rent at an affordable price. Therefore, the issues of affordability of the buyers, development cost and selling price require

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considerations from various parties to ensure all segments of the population enjoy their housing opportunities.

The Eleventh Malaysia Plan (11MP) (2016-2020) marks the continuation of the housing provision on affordable housing for all. Contrary to the previous Malaysian plans, the main focus of 11MP is to serve basic needs to all groups of population irrespective of their income, especially pertaining to own inclusive housing provisions. Besides, under this plan, the government aims to increase the affordability and accessibility of the people especially the middle and lower income groups; strengthening the delivery and management of public housing as well as to promote efficient and sustainable housing industry. Hence, various housing programmes are targeting to build 653,000 affordable public housing units.

Therefore, in order to achieve this, several strategies have been outlined such as increasing access to affordable housing for targeted groups by continuing the existing housing programmes, strengthening the planning and implementation of better management of public housing by establishing the land bank, strengthening the management and delivery system of affordable housing and identifying any potential *wakaf* lands as well as creating liveable housing environment by providing the suitable facilities for the target group and maintaining the cultural for comfortable environment.

With the aims to move from a middle-class country to middle-class society, the government continues with the aspirations to improve access to adequate, affordable and quality housing inclusive to all. Among the determinants of a middle-class country can be seen from its economic perspective and well-being of the citizens, the poverty level as well as the number of citizens who is getting access to homeownership.

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Therefore, it is pertinence for the government to ensure the citizens' basic needs are fulfilled in becoming a high-income nation.

In a nutshell, the provision of affordable housing was placed importance in each of Malaysia Development Plan. It has become the primary national agenda irrespective of country's political and economic changes. Shuid (2015) discovers that the housing provision in Malaysia could be classified as Housing the Poor (1971 to 1985), Market Reform (1986 to 1997), Slums Clearance (1998 to 2011) and State Affordable Housing (2012 until recent). However, the question is, does the provision is sufficient and efficient in serving the basic needs of the citizens, in particular among the young people in helping them to have a better and quality of life? The summary of the housing provisions as outlined in each of Malaysia Development Plan is then presented in Table 2.2.

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Table 2.2: Malaysia Development Plan in Relation to Housing

Malaysia Plan	Main agenda
First Malaysia Plan (1966-1970)	• Focus on the provision of low-cost housing for the lower-income groups and public employees to promote their welfare.
Second Malaysia Plan 1971-1975)	• Focus on public housing programmes to cater the needs of the low-income group. • To eliminate the slum dwellings and squatters living. • National housing program was designed for multi-racial community integration and provision of essential community services.
Third Malaysia Plan (1976-1980)	• To ensure all Malaysian, mainly low-income group have access to adequate housing. • Component for poverty eradication and improve rural living conditions.
Fourth Malaysia Plan (1981-1985)	• To ensure all Malaysian particularly lower-income group have access to adequate housing in urban areas and to improve the housing in rural areas in terms of quality and adequate amenities.
Fifth Malaysia Plan (1986-1990)	• To ensure all Malaysian, particularly lower-income group to have access to adequate housing and related facilities. • Housing programmes were undertaken by public and private sectors. • Provisions of houses through purchases and renting
Sixth Malaysia Plan (1991-1995)	• To provide all income levels (mainly low-income group) accessibility to adequate and affordable shelter following the concept of human settlement. • To promote social integration and provide reasonable standard of living.
Seventh Malaysia Plan (1996-2000)	• To provide all Malaysian of all income level accessibility to adequate, affordable and quality houses. • Priority given for the development of low-cost houses and low- medium cost houses to ensure low and lower-middle income group have access to adequate shelter.
Eight Malaysia Plan (2001-2005)	• To improve the accessibility to adequate, affordable and quality houses for all income groups. • Continuing the priority for the development of low and low-medium cost houses.
Ninth Malaysia Plan (2006-2010)	• Continuous effort to ensure all Malaysian has access to adequate, quality and affordable homes, particularly the lower-income group. • Emphasised on sustainable development, promote greater community participation and social integration.
Tenth Malaysia Plan (2011-2015)	• To ensure access to quality and affordable housing • Meeting the needs of growing population by matching the demand and supply of affordable houses, promoting the sustainable housing industry
Eleventh Malaysia Plan (2016-2020)	• Promote participation of private sectors in the development of affordable homes. • Increase affordability and accessibility to adequate housing among the poor, low and middle-income households, strengthening the management and delivery of public housing programmes and promote an efficient and sustainable housing industry.

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2.7 Housing strategies in Malaysia

With the understanding of the needs to provide adequate shelter to the citizens, the government of Malaysia has decided to intervene in the housing sector through policy formulation and various housing strategies. Even though providing a shelter lies under the responsibility of the states, nonetheless, the efforts must be more than providing only the housing stocks for the nations. Rather, the government intervention is needed at various levels to prevent homeless, prohibit forced evictions and prevent discrimination with the focus given to those in needs such as marginalised and vulnerable groups (UN-Habitat, 2009).

The importance of providing housing opportunities is further discussed by Ronald and Elsinga (2012). According to them, providing the opportunities for the households to own a home has been the primary focus of the policy makers (the government) as tools for wealth creation and improves the financial responsibility of the society. The needs of the government to provide a strong national housing policy as an instrument in addressing their housing issues is further highlighted by the UN Habitat (2016).

In the same way, realising the needs to tackle the housing problems among the young people in the UK, the UK government has made it important in their housing policies to help this group of individuals by introducing several housing initiatives and schemes. Correspondingly, in Australia where housing affordability is an issue among their people, the government has intervened to help the people especially those who are first-time buyers to climb the housing ladder (Poon & Garratt, 2012). In addition, Australia also places the importance of homeownership since it serves as the wealth creation and provides stability of the family institutions. This can be seen from the government efforts in promoting the homeownership through direct grants especially for

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the first-time home buyers. It was reported that around 70 percent of Australians live in their homes and become the home-owners (Rahman, 2010).

Like other European and Asian countries, Singapore also is considered as one of the successful countries with affordable and excellent housing policy in providing decent homes to its citizens. As said by their Prime Minister in his National Day speech, Singapore has strived to be an inclusive country that provides homeownership programmes to every citizen including the rich and the poor (Lee, 2012).

Hence, this section will discuss the housing initiatives and schemes provided by the government in attending to their social needs. The discussion on the housing strategies is based from the perspective of welfare processes. There are five (5) main processes involved; starting from planning services, claiming and demanding for services, providing services, delivering services and receiving services.

At the planning services stage, it involved identifying the needs deficits of the citizens. In this case, housing is considered as the needs deficits because of the larger demand of the houses from the citizens in fulfilling their basic needs. Apart from that, the necessity of the housing is increasing due to the growth of the population mainly on the internal migration in urban areas. This situation reflected the claiming and demanding for services made by the people from the stakeholders. Recognising these needs deficits, the government has intervened in various ways such as policies, subsidies and other forms of assistance to respond to the housing requirements of the citizens and at the same time promoting an equality and efficiency of the housing system.

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The needs assessment is conducted by the welfare stakeholders. In this situation, the stakeholders involved are the states and the market, consists of both private and public developers. Doling (1999) in his discussion regarding the housing policies in East Asian countries has referred this as the development stage, which explained the government efforts in their national plan to provide housing for their citizens. Deng, Hoekstra & Elsinga (2016) argues that since having a shelter becomes the aim of every person, the state needs to ensure that all its citizens are adequately housed.

Besides, Shuid (2015) discovers that the government has designed and formulated the housing policy in Malaysia based on the needs for all income level to make it more inclusive and cover all segments of the population. This effort was outlined in each of Malaysia Development Plan as discussed in the previous section. Also, Peh in a book Meeting Housing Needs (1991) has discussed the needs of the citizens to access to affordable housing. The demand and needs of the citizens for the housing is referring to the second process which is claiming and demanding for service. Thus, meeting the housing needs and preferences of the people especially the first-time house buyers is important to make their dream to own a home becomes a reality (Tan, 2012).

Besides policy formulation, the government is also responsible for designing, providing and delivering the services through several housing schemes to the target population. Moreover, the policy designed should be able to assist the targeted group in term of their opportunity to own a house, either by buying or renting through various means such as subsidies, financing assistance. The government has made it an important agenda in each of national development plan to provide all Malaysians particularly the low-income group the access to adequate shelter (Agus et al., 2002; Agus, 1997; Shuid, 2015).

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Nevertheless, there is no specific policy for the housing in Malaysia, rather, it was only a statement outlining in of Malaysia 5th year Development Plan that 30 percent allocation must be given to the low-cost housing for the *Bumiputra* (Baqutaya et al., 2016; Ariffin et al., 2013; Agus et al., 2002). The percentage, however, differs from one state to another state due to the flexibility given to the state governments in determining the quota of the low-cost houses that to be built based on their location and demand by the people in their area (Cagamas, 2013). This issue has been discussed by Agus et al. (2002) which concludes that each state has imposed different quota for the selection of house buyers and the development of low-cost housing. In fact, the selection process reflects the ruling party which can be seen in the case of Johor where the successful house applicants were based on the political supporters.

The government promotes various housing initiatives in response to the housing needs of the citizens in which it is referred as a process of service delivery. Given this, many housing schemes were introduced aiming at giving the housing opportunities for all, in line with the government aspirations to improve the housing opportunities to all sections of society to either own or rent adequate, quality and affordable homes (Ariffin et al., 2013). Among the housing strategies initiated by the government were provisions of public housing for the low-income group, quarters for government employees, improving the rural housing and homeownership policy and other housing incentives. Nevertheless, the discussion will emphasis on the affordable housing schemes since the focus is providing adequate and affordable housing to the citizens especially the young people, whom the majority of them falls in the middle-income category.

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Ronald and Doling (2010) highlight that as East Asian countries are moving towards achieving home-owning society, their housing policy system is hence focusing on promoting the homeownership rather than other housing tenure. It is perceived to strengthen the economic development, improve social solidarity and create the asset-based of family centred welfare provision. In comparison with the Western countries like the UK, US, Australia and other Asian countries such as Singapore and Malaysia, the Hong Kong government also emphasises on promoting the homeownership as one of the strategies to strengthen their authority and stabilise the society.

The idea of property-home owning democracy is also initiated by other countries whereby the aspiration of homeownership among the citizens has been referred as the "American Dream", "Australian Dream" and the "British Dream" (Reed & Ume, 2016; Bessant & Johnson, 2013; Kennett et al., 2013). In the same way, Malaysia aims to achieve the status of homeownership, which it can be denoted as the "Malaysian Dream". Consequently, there are various housing schemes and programmes initiated by the Malaysian government, both at Federal and State levels to address the issues of affordable housing, facilitate the homeownership as well as to increase the ability of the people, especially the middle-income group to own a house (Shuid, 2015; Doling & Omar, 2012).

The initiatives which can be seen from several housing schemes aim at promoting the homeownership among the young people (Economic Planning Unit (EPU), 2016). The efforts are further expanded as outlined in Budget 2016 which focuses on homeownership for all income levels (Ministry of Finance, 2016). Though there are numerous housing programmes and schemes introduced by the government to provide the housing opportunities, the following discussion is only based on the affordable housing schemes initiated by the government and other relevant parties to assist the young

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people especially young adults who are relatively new to the workforce in their pursuit to housing. Here, all the housing initiatives and schemes are ready for the receiving stage of the welfare processes whereby it can be considered as the final product reaching the targeted group (users).

2.7.1 My First Home Scheme (MFHS) / *Skim Rumah Pertamaku (SRP)*

In 2010, Prime Minister, Dato Seri Najib Tun Razak in his Budget Speech has acknowledged the difficulties to own a house faced by the young adults who have just joined the workforce. Prior to this, young adults with earning less than RM3,000 are not entitled to buy houses offered in the private market nor eligible for any public housing. Due to the needs of this group and the difficulties faced by them, MFHS (SRP) was first introduced in 2011 to assist this group of people and to reduce the affordability gaps. While government servants entitled to the government quarters and a specific scheme designed for them, this MFHS is only available to the private sector employees and employees of the statutory bodies where the staff housing loan is not offered to them.

My First Home Scheme or also known as *Skim Rumah Pertamaku* (SRP) was introduced by the government to assist the young adults to buy their first home through hundred percent (100%) financing from financial institutions. Under this scheme, the young adults do not have to pay for any of the down-payment for the houses as the housing deposits is guaranteed by Cagamas Bhd for the houses below RM220,000 (Razak, 2010). This effort is seen to increase the rate of homeownership among younger generations. The scheme aims to provide opportunities for the younger generation to own a house once they have the ability to do so (Zyed, 2014).

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This scheme is only applicable for the purchase of a residential unit located in Malaysia with the minimum property value at RM100,000 to RM500,000. The application can be made at any participating banks through conventional or Islamic banking. The purchaser needs to accommodate the house and is prohibited from renting to anybody. Regarding the financing, the tenure for this scheme is up to 35 years or at the age of 65 years old where the loan will be deducted through salary deduction. The following table outlines the criteria for this housing scheme.

Table 2.3: Eligibility Criteria for the Application of My First Home Scheme (MFHS) (Official Website of My First Home Scheme, 2016)

Eligibility criteria:
- A Malaysian citizen - First time home buyer - Individual up to 40 years - Single applicant gross income not exceeding RM5,000/month and joint applicants' gross income not exceeding RM10,000/month (based on gross maximum income of RM5,000/month per applicant) - Repayment of total financing must not be more than 60 percent of the net monthly income. - Must occupy the property - Financing tenure not exceeding 40 years, or not more than 65 years' old - Instalment payable via monthly salary deduction - Compulsory fire insurance / Takaful - Amortizing facility only, without redrawable features

Comparatively, in Hong Kong, their government responds to the needs of the people through various housing initiatives. Lau (2002) in his discussion regarding the housing policy system in Hong Kong states that the introduction of homeownership policies has resulted in the growing numbers of homeowners. Moreover, various homeownership schemes have been introduced to facilitate its citizens to own their home. Among the plans are Home Ownership Scheme, Flat-for-Sale Scheme, Tenants Purchase Scheme, Sandwich Class Housing Scheme, and Private Sector Participation Scheme. The success of homeownership initiated by the HK government has witnessed the increase of homeownership rate from 18 percent in 1991 to 33 percent in 2000 as reported by Kwan (2014). Another study by Yip (2013) reveals that in respect of the housing demands from

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the citizens, the Hong Kong government had introduced the Assisted Homeownership Programme as a shared equity programme (HOS) which was launched way back in the 1970s. The scheme has been proven to assist thousands of first-time home buyers, however, discriminated the single and young couples.

On the other hand, in the UK, other than PRS and shared home ownership, there are several other housing initiatives aimed at supporting the young people housing opportunities. For instance, the introduction of the Key Worker Living Programme, aims at assisting the government employees such school teachers, nurses and police to purchase a house through the equity loans and shared home ownership scheme. Besides, to further facilitate the young people towards their housing aspiration, the Help to Buy Loan Scheme was introduced in 2013 by providing the 20 percent equity loans to help this group to buy new buildings or older homes in the UK. Also, there is no age limit for the households who want to participate in this scheme, but the applicants must be the first-time home buyers. As a result, Rugg and Quilgars (2015) report that this scheme had assisted more than 48,000 of young people buying their homes. Furthermore, in response to the housing problems among the young people in the UK, various government interventions were undertaken by the government to enable them to have the quality of life. For instance, young people who stay longer in the private rented sector were offered to stay in flats provided by the government under the 'Fizzy Living' concept. Under this concept, the young people were proposed to rent the flats at an affordable price.

Meanwhile, in Australia, the initiatives for affordable housing was started through the State Government Affordable Housing Strategy, which aims to widen their approach from public housing to affordable housing, and to increase the supply of affordable houses and social housing for people earning low to moderate incomes. For instance, there are

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various housing initiatives that have been introduced by the government to ensure every group of people can have access to a home. Affordable Housing Strategy 2010-2020 reported that 4,457 new social houses for the people with low and no other viable housing options had been built.

2.7.2 1Malaysia People's Housing Project (1MPHP)/*Projek Rumah 1Malaysia (PR1MA)*

The Federal government initiated the 1 Malaysia People's Housing Programme (PR1MA) or Perumahan Rakyat 1Malaysia as part of their effort to provide affordable homes to the people (Shuid, 2015). PR1MA offers various types of housing that suit the needs of different households. Also, the development of the PR1MA homes was constructed based on the demands of the people. PR1MA covers the middle-income group while other public housing providers cater the lower-income group (Shuid, 2015). As highlighted in PR1MA Homes Handbook (2012), all the houses developed under PR1MA are not classified as the low-cost housing. Instead, the development is targeting the middle-income group to have quality affordable homes of the market standards. Regarding the housing price, it starts between RM100,000 to RM400,000 for to the eligible young Malaysians whose household income of RM2,500 to RM10,000, covering the Middle 40 (M40) segmentation.

The efforts done by PR1MA aim to design and build affordable quality homes not only to satisfy their housing needs but to ensure that it is readily available by them. Their target is to ensure that the affordable houses are not only located at the suitable locations but aims to increase the attainability of that houses by offering Home Buyers Assistance Programmes (HOPE). This programme is a housing scheme which offers financial solutions and accessibility to home ownership. It consists of three main areas namely End

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financing; Rent-to-own (RTO); and Care by PR1MA. End Financing is designed for financing up to 110 percent from PR1MA panel banks without down-payment required, which improves their housing opportunities so that access to home buying is much easier. RTO scheme, on the other hand, is a deferred home ownership schemes to assist these young people who are the successfully balloted applicants, yet unable to secure the loan financing to rent the house before obtaining the ownership of the house. The scheme, which addresses the affordability and accessibility issues, offers young buyers an option to rent PR1MA houses up to 10 years before owning such houses. Whereas Care by PR1MA is an insurance benefit provided for PR1MA tenants under RTO and PR1MA home buyers in the events of financial difficulties or unforeseen circumstances (PR1MA, 2015).

The price offered for all the PR1MA units are 20 percent lower than the market price (Ministry of Finance, 2016; PR1MA, 2012). The projects have witnessed the development at six main areas; the location for PR1MA houses which classified according to Central, Southern, Northern, Eastern, Sabah and Sarawak. The 2016 Budget emphasised that 5,000 units of PR1MA houses will be allocated to 10 locations in the locality of Light Railway Transportation (LRT) and monorail stations such as in Pandan Jaya, Sentul and Titiwangsa (Ministry of Finance, 2016). For the people to be eligible for this scheme, several criteria have been outlined to ensure the housing reaches only the targeted group as presented in Table 2.4.

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Table 2.4: Eligibility Criteria for the Application of PR1MA Homes (Official Website of PR1MA, 2016)

Eligibility criteria:
- A Malaysian citizen - Either single or married person - Age above 21 years' old at the time of the purchase - Individual or household income between RM2,500 to RM10,000 - Must not own more than one (1) property - Must occupy the property - The allocation of the houses must go through the balloting process - The property cannot be transfer to anyone (by any means) without approval from PR1MA in which 10 years' moratorium is imposed.

Despite the government efforts to assist the younger generation concerning their housing opportunities, many have reported that they were unable to secure the loan from financial institutions to purchase houses under this scheme (PR1MA Official Website, 2016). As a result, PR1MA has decided to introduce the Rent-to-Own Scheme (RTO) to assist the young persons who are the successfully balloted applicants, yet unable to secure the loan financing to rent the house before obtaining the ownership of the house. The RTO is a deferred homeownership programme formulated for the potential buyers whereby they have an option to rent the house for up to 10 years before owning such units. It is initiated to help those applicants to build their financial capability required for loan financing from the financial institutions.

Similarly, in the UK, the recent housing interventions can be seen from the introduction of Mediated Private Rented Sector tenancies (PRS), Shared Ownership and other Subsidised Homeownership Initiatives. The PRS is one of the housing tenures for the majority of the households; especially the younger people. In the early 1990s, PRS has been used by the third sector agencies to resolve the homeless issues. Other than PRS, the UK government also has introduced the Shared Ownership, known as 'part-rent / part-buy hybrid tenure' as an initiative to help those young people who are unable to purchase a house at the time of purchase to achieve the homeownership whereby the residents buy

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the shares of the property and rent the other portion (Rugg & Quilgars, 2015). It was further explained by Zyed (2014) that under this scheme, the applicants share their home between 25% and 75% of the home's value and pay rent on the remaining share.

Besides, in Australia, affordable rental has also been introduced under the National Rental Affordability Scheme (NRAS) to give options to those who cannot afford to join homeownership (www.dhw.wa.gov.au). There are four main initiatives that have been introduced, namely the Shared Home Ownership Scheme, Keystart Home Loan and Land and Houses Sale to assist the Western Australians into homeownership. Through the Shared Homeownership Scheme, the government assists them by becoming their partner to purchase a share in the home. By sharing the ownership, the Australians can buy a home as they only need to borrow the portion of the property price, thus helping to reduce their burden of deposits and on-going payments. Next, the Keystart Home Loan scheme is a low-cost entry lender that aims to assist people into homeownership by offering lower deposit requirement as compared to other lenders. This programme has opened the door to affordable sales programmes, which giving the opportunity for the public to own homes at affordable values.

In contrast, housing policy in Singapore emphasises on offering various choices for various groups of citizens by providing different types of flats that suit their affordability. For instance, the exercise of housing choice does not exclude any of the income groups and family sizes (Yuen, 2007). In fact, the price determination has been made based on the purchasers' affordability rather than on the cost of the houses. Those who have no affordability in purchasing a private property either can rent or buy a flat provided by HDB. Similar to the RTO Scheme introduced in Malaysia, Singaporeans who rent the apartments, in the beginning, can purchase them when their income level

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increases or when they have the affordability to do so. To further increase the homeownership among them, the Homeownership Scheme, which was first introduced in 1964, gives the opportunity for the public housing to be sold to eligible households.

On the other hand, in Hong Kong, the government introduced the public rental housing programmes (PRH) but the programmes targeted only single elderly people, thus making the young people even more trapped in their housing problem. Besides, there is no government intervention in regard to renting control and security of tenure. A similar situation also occurs for the rental system in Malaysia whereby the government has no control regarding the rental system and security of tenure. Above all, the author has concluded that the young people in Hong Kong are reported still living with their parents until they are married and; the housing policies have failed to address the needs for independent living (Yip, 2013).

2.7.3 Youth Housing Scheme (YHS) / Skim Perumahan Belia (SPB)

Youth Housing Scheme (YHS), also known as Skim Perumahan Belia is the first-time home ownership scheme designed for married youth aged between 25 to 40 years with household income not exceeding RM 10,000 per month. The scheme is limited to first 20,000 buyers. The programme is a smart partnership between the government, Bank Simpanan Nasional (BSN), Cagamas and Employees Provident Fund (EPF) (Official Portal of Ministry of Finance, 2014).

This scheme provides the funding limit up to RM 500,000 for a maximum of 35 years financing loan period or at the age of 65 years, provided by Bank Simpanan Nasional (BSN). BSN will provide the loan financing of hundred percent (100%) with an additional five percent (5%) for the insurance. However, the buyers under this scheme

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need to pay for the legal costs. To further facilitate the homeownership among the youth, the government provides monthly aids for the instalment of RM200 for two years from the date of the first disbursement to the developer or vendor. Also, fifty percent (50%) of stamp duty exemption on the transfer and loan agreements will be borne by the government (Bank Simpanan Nasional Official Website, 2016; Razak, 2014).

In comparison with Malaysia, to facilitate the young people in their pursuit of adequate housing, the Singaporean government has introduced the Young Families Priority Scheme (YFPS) for them to have access to affordable homes. Furthermore, the single and divorcees can ballot for the eligible flats provided to them (www.yoursdp.org). The initiative taken is due to the concern on the decreasing of fertility rates among the young Singaporeans as they have started to delay their marriage due to housing constraints. All of these efforts are in line with the government's aspiration to provide inclusive and caring housing policy for all (Lee, 2014). Additionally, the financial assistance has been made available to ease the purchasers' burden for their mortgage financing by providing the grants to those in needs. Buyers of public housing in Singapore can withdraw their savings from the Central Provident Fund (CPF) for the housing down payment, and the monthly mortgage payment, which can be paid in instalments through the HDB assisted mortgage loan (Yuen, 2007).

Similar with CPF in Singapore, housing buyers in Malaysia are permitted to withdraw their Employees Provident Fund (EPF) for the housing matters such as to pay for the housing deposits and any other legal costs. However, the withdrawal can only be made by the house buyers after the signing of Sales and Purchase Agreement (SPA). Contrary with CPF funds where people can use it for monthly instalment, monthly mortgage instalment from EPF withdrawal is not permitted in Malaysia. It may cause

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burden as the majority of them have insufficient income and no savings to pay for the housing deposits and other legal costs (Doling & Ronald, 2014; REHDA, 2016).

Contrary with Malaysia where housing schemes are provided by the government and the implementation is dominantly made by private developers, in Hong Kong, the government has introduced the Youth Hostel Scheme (YHS) which undertaking by non-governmental organisation (NGOs) to build and provide hostels in the type of flats for the working young singles and the couples at below rental market price which targeted completion in 2016 to 2017. The initiative is to meet the housing needs of the young people and to assist them in their pursuit of independent living (Kwan, 2014).

2.7.4 My Deposit / Skim Pembiayaan Deposit Rumah Pertama

Due to the difficulties to secure the loan for housing deposits, the government intervenes by providing the deposits to the first-time house buyers. A study among Generation Y in Malaysia posits that among the biggest challenges for the younger generation to own a home was due to the problems of providing the 10 percent housing deposit from the selling price (Ahmad et. al., 2013). Therefore, the government has introduced another housing scheme known as MyDeposit to assist the middle-income group, specifically the first-time house buyers to pay for the housing deposits.

In the 2016 Budget, Prime Minister, Dato' Seri Najib Tun Razak has announced the new housing scheme known as MyDeposit with the allocation of RM200 million for the First House Deposit Financing Scheme under MUWHLG to assist first-time house buyers of affordable houses in paying the deposit (Ministry of Finance, 2016). This housing initiative is in line with the objective of NHP to increase the affordability and accessibility of the people to own a home (www.sprn.kpkt.gov.my). Furthermore, Najib

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during his speech at National Housing Council meeting on April 6, 2016, announced that the scheme is offered to the first-time house buyers for the house price below than RM500,000. Also, under this plan, the government will provide the 10 percent deposit from the selling price or to a maximum of RM30,000 (whichever is lower). The application can be made officially through National Housing Department (NHD) website. Table 2.5 specifies the criteria for MyDeposit scheme.

Table 2.5: Eligibility Criteria for MyDeposit Scheme (www.sprn.kpkt.gov.my, 2016)

Eligibility criteria:
- A Malaysian citizen - Age above 21 years' old at the time of the purchase - Gross income between RM3,000 to RM10,000 - The applicant must be eligible to the loan financing from any financial institutions - The applicant will be given a conditional approval within 30 days to sign the Sales and Purchase Agreement - The housing price of RM500,000 and below

The aim to provide housing for the nation has continuously been the interest of the government. Recently, Prime Minister, Dato' Seri Najib Tun Razak has tabled a 2017 Budget with various incentives and measures allocated particularly those related to the real estate and property sectors (Ministry of Finance, 2016). There are several programmes for affordable housing announced to further accelerate and broaden the accessibility of affordable housing to the people in taking their first step towards homeownership and achieving independent living. Firstly, there is an increase in the public servants' loan eligibility for 1 Malaysia Civil Servants Housing (PPA1M). Previously, the public servants enjoy loan eligibility from RM120, 000 to RM600, 000 and recent budget witnesses the new loan eligibility from RM200, 000 to RM750, 000. This effort is to ensure public servants enjoy more housing opportunities regarding purchasing their homes mainly in urban areas.

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Secondly, My Beautiful New Home Scheme is introduced to facilitate home purchasing. The scheme aims to provide housing opportunities particularly in encouraging homeownership for the bottom 40 percent of household earning a monthly income of RM3, 900 and below (B40). Under this scheme, the government will subsidise RM20, 000 for the development of houses on private owned land whereby the rest of the instalment will be bear by the owners. This programme will start with the construction of 5,000 units of houses ranging between RM 40,000 to RM 50,000 each, whereby the houses are to be built on the land owned by the owners, permitted by the landowners or any lands awarded by the state government.

Thirdly, the next government initiative is to utilise the unused government lands in strategic locations for the development of affordable houses. The initiative is given to the Government Linked Companies (GLCs) and PR1MA to develop 30,000 units of affordable houses to be sold below the market price. The effort is hoped to boost the supply of affordable homes in urban areas which are highly in demand.

Fourthly, the allocation of 10,000 units of houses for rentals in urban areas. The houses are targeted to the eligible youths with permanent jobs. This effort to improve the accessibility to housing aims to help them, who are relatively new workforce and first-time home buyers in their housing opportunities. Under this initiative, they can rent up to 5 years at a below market rate which can give them sufficient time to save before embarking into the homeownership.

Fifthly, the introduction of the End-financing scheme for the PR1MA houses. Since there were high loan rejections for PR1MA houses, thus, this scheme offers the buyers with the end-financing up to 90 percent to 100 percent loan financing, which

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improves their accessibility of financing and assists them to own a home. This effort is a collaboration between the government, Bank Negara Malaysia (BNM), Employees Provident Fund (EPF) and four local banks; AmBank, Maybank, CIMB and RHB. Finally, to further expand the housing opportunities among the people, the government has introduced 100 percent stamp duty exemption for houses below RM300, 000. Through this effort, it helps to reduce their burden and at the same time stimulate the growth of the housing sector for affordable houses.

Despite various housing initiatives promoted by the government, there is still lack of housing opportunities, especially among the younger generation. Hence, this study is important to shed the lights on the housing issues facing by the citizens in this country particularly among the young people to know how alternative housing strategies can respond to the housing needs of the young people so that they can live independently.

2.8 Conclusion

This chapter emphasises on the classification of housing policy regimes based on the analysis of housing scholars. Explanation is given on the housing policy regimes that consist of liberal, social democratic, conservative and housing policy regime in East Asian countries. It is important to understand the types of housing regimes as a basis to argue what types of housing policy regimes that best fit into Malaysia context. The conceptualisation of terminologies used in this study is further clarified to enable better understanding on the subjects of this study. Realising the needs of housing, the government had intervened in the housing system through the policy formulation and initiatives. With the understanding of the needs to provide adequate shelter to the citizens, Malaysian government has decided to intervene in a housing sector through policy formulation and various housing strategies which can be seen from the development of

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National Housing Policy (NHP) and several housing schemes benefited young people such as My First Home, PR1MA housing programmes, Youth Housing Schemes (YHS) and My Deposit. While states concentrating on housing among lower-income group, the housing provisions for the other group (middle and high-income groups) was assigned to the private sectors. Young people facing with housing problems should be given the opportunities to adequate housing so that they can achieve independent living. As such, factors on socio-demographic, affordability, location, housing knowledge and structural have been identified to influence the housing opportunities of young people which reflected in the analytical framework of this study and will be further elaborated in the next chapter.

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CHAPTER 3 : ANALYTICAL FRAMEWORK

3.1 Introduction

In this chapter, the researcher discusses the analytical framework of the study. The analytical framework for this study integrates the Theory of Housing Adjustment and previous empirical facts on the challenges faced by young people in their pursuit of adequate housing and independent living and contributing factors towards housing opportunities among young people. The analytical framework explained in this chapter guides the direction and analysis of this study.

3.2 Theory of Housing Adjustment

Theory of Housing Adjustment was developed by Morris and Winter (1975, 1978 & 1998) from the idea suggested by Rossi (1955) on the residential mobility as a process of adjustment between a household's housing and changes in its housing needs over the life cycle (Morris & Winter, 1988). There are many past studies (i.e., Lee, Parrott, & Ahn, 2012; Steggell, Binder, Davidson, Vega, Hutton & Rodecap, 2003) have used the theory to investigate the housing preferences, housing decisions or housing satisfactions. The theory highlights the housing norms, in particular, the American housing norms, that consist of five main norms or standards; namely space norms, tenure norms, structure type norms, quality standards and neighbourhood (location) norms (Morris and Winter, 1975). Housing norms are an important aspect to be looked upon in planning about a home, and constraints households may encounter in buying a house.

Space norm refers to the provided space for activities conducted in the house (Morris & Winter, 1975). For instance, the number of bedrooms needed much depends on the number of households, their age, sex and family status. For the tenure norms,

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Americans favour home ownership over rental because various housing initiatives support the idea of homeownership. Concerning the structure type norm, a single-family detached home is a preferable kind of structure. As for the quality, the researcher acknowledges that the quality norm is the most confusing part to define among other norms. The quality must be compatible with the income of the households. Finally, regarding neighbourhood norms (location), it is more related to the place of the house and its environment, which later can contribute to the family's satisfaction with the residence. For instance, a house should not only in the form of physical character, but it must be in a safe place, with a healthy environment and equipped with the required facilities. The location of the dwelling units influences the quality of the children's education and their well-being (Morris & Winter, 1975).

People will continuously evaluate their housing conditions to ensure that they conform to the normative housing conditions. In the case of Americans, each family might place different housing norms. Under those circumstances, the individuals or households might think that their housing norms do not conform to the normative housing conditions. Thus, constraints occur which may lead to the housing stress. Housing stress can occur when an individual living in a house or in neighbourhood that does not meet their needs, preferences and expectations (Coutler, Ham & Feijten, 2011). Also, constraints may affect people's capability to live in normative housing conditions that lead them to find other housing arrangements (Lee et al., 2012; Lee & Parrott, 2010).

Dissatisfaction will likely to appear when an individual or household experience housing deficits. Thus, it is important to know the three most important constraints as emphasised by Morris and Winter (1975), which are intra-familial limitations (i.e., level of problem solving skills among family members), economic, social and political factors

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such as racial discrimination and the state of housing market and finally, the situation in the housing market. Those constraints are then expanded into five categories of constraints (Morris & Winter, 1998). The first is regarding the resources which include income, wealth, information, skills, and time. Secondly, are market constraints that include price and supplies of housing, materials, land and financing. Thirdly are household organisational constraints including the ability to organise the resources and make decisions to implement the resources. Fourth are predispositions or psychological dimensions of the household (personality of the individual such as apathy, ambition, motivation, achievement and so on. Finally, is discrimination concerning race, ethnicity, sex, age, disability, or social class (Morris & Winter, 1998). As consequences, when an individual or household is experiencing either of those constraints and deficits, they will respond to the situations either through residential mobility, residential adaptation or family adaptation (Morris & Winter, 1975).

It is pertinence to examine the challenges young people faced in their pursuit to adequate homes. Based on the problem statement described in Chapter 1, young people in this country are likely to face housing challenges because of their economic insufficiency and other limited resources which require further attention from the relevant parties. The Theory of Housing Adjustment outlines five main constraints that households may face when evaluating their housing conditions or norms. However, for the context of this study, the emphasis is only on the resources constraints (affordability factors), market constraints (structural factors) and discrimination (socio-demographic factors). The researcher did not measure the predisposition or psychological of the household, and household organisational constraints. The researcher derived the three factors proposed in this study from the three most important components of the Housing Adjustment Theory. The other two factors (housing knowledge and locational) are derived based on

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the thorough review on the international literature which argues that these factors influence the housing opportunities.

Although the theory does not outline the same variables, it laid down the elements that the researcher has used in this study. Apart from that, the study also looks at elements of socio-demographic such as age, gender, marital status, educational background, ethnicity and occupational status which are grouped under the discrimination factor. As for the affordability factors (i.e., financial resources, housing price, household consumption, financing, location, and housing knowledge) are derived from resources and market constraints. Finally, structural factors (i.e., government housing policy, programmes and initiatives) are inspired from the market constraints. As such, the next parts discuss the challenges faced by young people and their housing opportunities.

3.3 Housing Challenges Amongst Young People

Housing is one of the important aspects of independent living (Zhu, 2013). Getting access to housing is vital to ensure young adults can enjoy the quality of life (Forrest & Yip, 2013). Young people normally leave their parental homes and live independently due to various reasons such as family formation, educational reasons, marriage and employment opportunities. However, they face several challenges to own a home for independent living. The housing challenges confronted by young people are:

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(1) Structural challenges

Structural factors play dominant roles in determining the housing opportunities especially on homeownership (Arundel & Doling, 2017). Housing policy plays an important role in ensuring young people have access to suitable housing which later help their transition to adulthood (Deng, Hoekstra & Elsinga, 2016). Research findings by Baqutayan et al., (2016) point the housing problems faced by middle-income group in Malaysia are related to housing loan and housing schemes policy. Not only the price is the main concern of the young people, but they also face difficulties in obtaining the housing loan due to the strict lending guidelines imposed by financial institutions. The unavailability of affordable mortgage financing, high-interest rates, large down-payments and high rental deposits restrict housing opportunities for the middle- and lower-middle-income groups (Chowdury, 2013).

According to Forrest and Yip (2013), the problem of shortage of social housing is the main factor affecting the ability to leave home, thus delays their transitions towards independent living. Beer and Faulkner (2011) add that an entry into the housing market among younger people become more challenging as they face the challenges regarding increasing cost of housing, insecurity in the labour market, strict lending criteria and the competition for housing from the older generation.

A study done by Hochstenbach and Boterman (2014) discusses how young people deal with constraints and opportunities based on the housing pathways popularised by Clapham et al., (2012). The result indicates that the global financial crisis and strict lending criteria have led to difficulties to access and afford to houses particularly for younger people. The young people in Amsterdam do not have the means to house because of their limited economic resources. Even to rent apartments, they face challenges due to

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expensive rental apartments. Since they are not yet in their life-course stage and working careers, entering into home ownership seems impossible for them as it is the long-term financial commitment.

Meanwhile, young people in the UK face with several challenges such as unemployment, lack of available credit and an increase in the renting generation (McKee & Hoolachan, 2015). The situations have made the housing opportunities among the young people decline. The number of youth owning a house is decreasing, and those living in parental homes are increasing (Clapham et al., 2012; Rugg & Quilgars, 2015). The private rented sector is the main housing tenure represented by younger people (Rugg & Quilgars, 2015). It is due to the nature of this tenure that is accessible and mobile as they enter the labour market. The limited supply of affordable housing both in public and private rented sectors and buying a home, on the other hand, seems beyond the capability of many young people (Terry, 2011).

A similar scenario can be seen in Hong Kong whereby young people are reported to stay with their parents until they are married or leave for education. Not only that, the young people trap in their housing problems due to no government intervention in regard to renting control and security of tenure. Therefore, they believe that the housing policy has failed to address their needs for independent living (Yip, 2013).

In Malaysia, among the housing problems faced by the citizens are related to affordability, difficulties to access to homeownership, lack of affordable housing and housing stress. Apart from that, the high price of housing, strict financial regulations, the mismatch between supply and demand and lack of quality houses become the issues

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(Ariffian et al., 2013). The term housing affordability and affordable home ownership have been used interchangeably by past studies in highlighting the problems.

(2) Economic challenges

Economic resources (income) determine the act of leaving home. Young people in Sweden leave their parental homes later in their life due to the longer study time alongside with the increase in housing costs and changes in the housing market (Lieberg, 2013). In sum, structural and economic factors are two main challenges facing them. Despite the government efforts to assist their citizens to achieve their housing opportunities, many were reported facing the difficulties to enter the housing market.

Yip (2013) in her discussion regarding home ownership among young people in Hong Kong indicates that the post-eighties generation in Hong Kong views housing as beyond their capability, hence distort their housing aspiration. For this group, housing is important in their transition to living independently. Nevertheless, due to the high housing price, difficulties to provide for the down payment, prolonged in their education and various financial liabilities such as education debts resulted to the limited resources for homeownership.

The fact was further supported by a study conducted by Fun (2012) which reveals that young people age 25-34 years in Hong Kong have faced various challenges entering the housing market due to the low income, lack of appropriate and affordable housing stocks as well as insufficient down payments. Besides, young people in Hong Kong cannot afford the private renting due to the high rental costs.

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In recent years, there has been a discussion on Hong Kong housing situation conducted by Campos et al., (2016). They found that housing market in Hong Kong is unstable and high in price. Housing in Hong Kong for the last five years is 'severely unaffordable', thus making the homeownership is unattainable by the young people.

The affordability issues among the younger generation in the UK have been widely discussed (Clapham et al., 2012). In a recent report entitled Young people and Housing: The Need for Policy Agenda (2010), Rugg states that young people fail in the housing market due to the economic disadvantages. As most of them have just started their career and live independently, they often face with economic uncertainties.

A study by Li (2014) examines the housing attitude and aspirations of young people in Hong Kong. The study has found that 65 percent of young people in Hong Kong cannot afford to own a house in the early stage of their career development. They also cannot afford to live elsewhere because houses are too expensive for them. Therefore, many of them prefer living with their parents to save money so that they can spend on other things. The barriers consequently lead to the delay in their transition to adulthood as well as living independently.

A study by Deng, Hoekstra and Elsinga (2016) also finds that intergenerational cohabiting influences the housing opportunities of young people in China. Most of the young people in China choose to live with their parents even after marriage. Some of them believe that they should rely on their parents rather than living independently. They view this practice as one of a desirable housing solution. Those living with their home-owning parents may achieve their future home ownership using inheritance. However,

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cohabitation reduces the chance of living independently. It harms the social and labour market mobility of the young generation.

One of the most significant current discussions in housing studies is related to the housing problems. Past studies have also highlighted the ongoing problems such as housing stress (Gabriel, 2005; Randolph, 2002), housing affordability (Chiu, 2010; Yates, 2006; Battelina, 2008; Yi Toong, 2004; Yates, 2004) and the accessibility of younger household to gain access to homeownership (Richard, 2008).

Similarly, young Australians face housing affordability. It can be seen from the declining of homeownership rates among them (Bessant & Johnson, 2013). Similarly, it is reported that there are acute affordability problems across people in the United Kingdom, resulted in less housing opportunities (Kennett et al., 2013). In a study conducted by Reed and Ume (2016), they find that reasonable housing price and stable employment determine the ability of an individual to have a home.

In the context of Malaysia, Zyed, et al., (2014) in their study regarding home ownership problems among young working households disclose that housing prices have been emphasised as the main homeownership problem, especially in urban areas. Additionally, the location of the affordable houses that is inconvenient has made the situation even worse. The distance of the house to the workplaces, schools, parks and retails outlets influences access to homeownership and improves their quality of life (Tan, 2012).

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Another study conducted among the university students aged between 17 to 37 years has found that young people in Hong Kong face challenges concerning affordability due to the increasing price of housing and other transaction costs for housing which have restricted them to homeownership (Campos et al., 2016).

Another study conducted by Chepsiror (2011) among the low-income people in Kenya discovers that in accessing housing in their area, they face various challenges such as the rising cost of lands, high rental payments, complex land acquisition process and the low-income resulted from unemployment and underemployment which hinders their housing opportunities.

In Hong Kong, a study was conducted to investigate the attitude and aspiration of the young people aged between 18 to 35 years in their transitions to independent living. The study concludes that economic constraints seem to be the major barriers to young people transition' to independent living. It is due to the high housing price; unstable employment; longer education and the burden of debt repayment (due to study loans) after graduation and inadequate space for independent living (Li, 2014).

Apart from that, in a research produced by Joseph Rowntree Foundation (JRF) to improve the housing options among young people age from 16 to 30 across the United Kingdom (UK) indicates that young people in the UK are increasingly being squeezed out of the housing market and face with difficulties towards independent living because many are reported need help in terms of their finance especially when they leave the parental homes (Terry, 2011).

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Rugg and Quilgars (2015) postulate that young people inability to operate in the housing market is often due to the characteristics of the youth that is first, the economic disadvantage; second, inexperience and third is discrimination which in turn, hinder their housing opportunities.

A research study by Chowdhury (2013) also highlights that the middle-income group in Dhaka face challenges in accessing the housing due to the soaring housing price and high rental payments which exceed 40 percent of their monthly income that affects their affordability.

A study conducted on home ownership problems among younger working households in Malaysia investigates the challenges concerning housing price, household income, housing demand and supply and housing mortgage. The study finds that the main homeownership problem is the high price of housing in the urban areas. Besides, they feel that the location is undesirable and not accessible with the public transport. They also face difficulties in securing the housing loan and paying the 10 percent deposit for a house (Zyed et al., 2014).

(3) Social challenges

Young people often face difficulty to access housing due to their social status. Their social status and the affordability of certain areas play significant roles in influencing the place where they can live. In Shanghai, people with high social class have more housing opportunities than lower-class people due to their financial conditions and their status in the society (Yang et al., 2015). In a different study, Sironi, Barban and Impicciatore (2015) examine the role of parental social status on the transition to adulthood. The results have confirmed that parental background influences the transitions to adulthood. The

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transition to adulthood is slower among higher classes but higher among the lower socio-economic status.

Besides, young people face constraints to access to adequate housing due to inexperience. Young people who first enter the workplace and housing market are often confronted with a lack of housing knowledge related to mortgage financing, housing market and any matters related to housing (Hochstenbach et al., 2014; Atiles & Bohon, 2013; Rugg, 2010). Also, they often face with discrimination in the housing market. The nature of younger households who are young and new to the workforce has led the housing market to assume them as inexperienced and incapable (Rugg & Quilgars, 2015). As such, it reduces their housing options and it means that they are likely to accept more marginal and riskier housing arrangements (Clapham et al., 2012).

Even if they can access to housing and live in PRS, they face with the challenges not only concerning affordability, but also poor-quality housing. Nearly 50 percent of the low-income households in the US live in inadequate housing yet pay more than 30 percent of their incomes for housing (Lee et al., 2012). A study led by Roween (2014) discovers that among the challenges face by the middle-income earners in the Philippines are regarding the homeownership and security of tenure. Both happen due to the limited access to the housing schemes offered by the government and their financial inability which is associated with the low-income. Besides, they also demand the quality housing which could satisfy their needs and preferences.

Meanwhile, a study in the local context has found that among the factors influencing generation Y housing affordability problems are lack of affordable houses supply in the market and inadequate size and quality of houses (Ariffian et al., 2015).

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Young people also face challenges to find affordable housing at a suitable location. Most of the affordable houses are located outside the urban areas where access to their working place is relatively far. They claim that the undesirable and inconvenience location has made the situation even worse for them in their pursuit of adequate housing (Yip, 2013).

Since owning comfortable homes becomes everyone's dream, the issue of the housing opportunities amongst the young generation should not be left behind as it is an important determinant of the quality and survival of individuals' life which will be discussed in the next section.

3.4 Housing Opportunities Amongst Young People

In a pursuit to live independently, young people should be given the opportunities to the adequate housing to minimise the possibilities of delaying their transition to adulthood. When discussing about housing issues, there are many problems faced by the people and the states as well especially in providing affordable and adequate housing for the citizens to ensure they can sustain their life. Without proper housing, a person's life can be affected and lead to the deterioration of their well-being.

Hochstenbach and Boterman, (2014) have reported that in many western cities, housing opportunities of young people are increasingly constrained due to housing market reforms and decreasing affordability because of the process of gentrification. Despite many constraints, some of them are still following 'linear housing pathway' (move through the formal housing sectors).

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However, for those who have limited economic resources, they become trapped in the 'chaotic housing pathway' (free market and affordable private rented sectors) and suffer various setbacks. As a result, there is a decline in housing opportunities among the people as the result of different constraints and challenges faced by them as discussed in the previous section. This problem also happened in Japan where it has witnessed the decline of housing opportunities among their young people. Hirayama (2012) has demonstrated that housing opportunities for youngsters have declined due to the rise of neoliberal policy and economic uncertainties.

A study by Tan (2012) among first-time home buyers in Greater Kuala Lumpur discovers that young Malaysians especially those who are first-time homebuyers have faced difficulties to own a house due to the high price of housing in urban areas. The rapid increase in housing price obstructs their opportunities to have a home, hence, prolong them as renters.

Housing opportunities can be seen from the perspective of housing tenure which brings the meaning that when the people are given the opportunity to either own or rent, this described the possibilities that the individual has. Nevertheless, many discussions have focused on home ownership as one of the desired tenures instead of renting. It is due to the government policy and aspiration which concentrate on promoting their people to own rather than to rent due to the benefits of owning.

Holdsworth and Solda (2002) argue that in the countries with mainly of home-owners and the structure of their housing market focuses on homeownership, leaving a home to live independently by renting is not an effective solution as it hinders wealth accumulation. Homeownership is viewed as one of the tools for wealth creation and acts

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as an investment goods (Elsinga, Quilgars & Doling, 2012). Nevertheless, as much as people are focusing on homeownership, they often being excluded from accessing the housing ladder due to the difficulties faced by them especially in obtaining the mortgage financing thus hinder their chances to affordable, adequate and reasonable housing.

Therefore, for the young people to have this opportunity, many factors should be looked at as they become the determinants whether ones can have those opportunities or not. Many variables have been widely employed in the previous literature. However, their concerns are limited to the issues of housing affordability which is seen more on the economic approach rather than social approach. This study, in turn, has chosen the factors such as socio-demographic, affordability, location, housing knowledge and structural to explain the housing opportunities among the young people because it is much more relevant in the context of the study.

Hence, having established the housing problems among the young people including the challenges facing them, the next discussion is on what indicated and related to the housing opportunities among the young people. The purpose of the present section is to examine the contributing factors in providing housing opportunities for the young people by looking at the influences of socio-demographic, affordability, location, housing knowledge and structural and to know whether there is any deficiency of housing policy and practices in Malaysia.

3.4.1 Socio-demographic

Socio-demographic is important in determining the opportunities to adequate housing among young people. It includes age, gender, ethnic background, marital status, educational background and employment status. There are several studies in the literature

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reporting on the influence of socio-demographic on the opportunity to adequate housing particularly pertaining to homeownership (Fu, Zhu & Rent, 2015; Lee et., al 2012; Almaden, 2014; Drew, 2015; Tan, 2012; Ahmad et al., 2013; Tan, 2008). The socio-demographic of the young adult households place an impact on their housing opportunities particularly on homeownership (Deng et al., 2016; Drew, 2015).

Forrest (2013); Hochstenbach and Boterman (2014) highlight that opportunities, choices and constraints are likely to be distributed unevenly and unequally among a different group of young people based on their gender, social class and ethnicity. The demographic change in marital status affects people's ability to own or rent an adequate housing.

Besides, Filandri and Bertolini (2016) postulate that there are three elements that influence the home ownership among young people in their pursuit to live independently. The elements are housing market, employment and social policy. Young people need to have a job that can assist them in securing the mortgage financing. Thus, it is important to have a stable job to guarantee that the individuals have the housing opportunities, particularly on home ownership. Changes in jobs, unemployment and unstable income have resulted to less chances of acquiring an independent living.

Meanwhile, Arundel and Doling (2017); Izuhara (2015); Li (2015); Izuhara and Hirayama, (2010); Hendershott et al., (2009) have found that marital status affects the affordability and accessibility of the people to housing, especially on homeownership. A married person often has dual income, and this allows them to accumulate their wealth. Thus, it increases their ability to enter the housing market.

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According to an investigation by Deng et al., (2016), young people in China who are older, married and have a family (children) are more likely to leave their parental homes and achieve their independent living earlier than those who are single. The result of this study has confirmed that marital status (marriage) significantly affects their chances to independent living.

Other than age, marital status and education, the ability for the individual to own or rent a house is also associated with the employment status. A study conducted by Filandri and Bertolini (2016) refers this as the labour market. They have discovered that housing opportunities in general and home ownership, in particular, very much depending on the employment security. Employees who are temporarily employed in the job market reduce the probability to access to homeownership due to the job changes, unstable income or can lead to unemployment. Also, a stable labour income is essential to accumulate a down payment for loan obtaining and purchasing of housing. As a result, young people in countries with low levels of mortgage debt and high levels of temporary jobs can have less chances of acquiring independent home ownership (Arundel & Doling, 2017; Lersch & Dewilde, 2013).

Research findings by Deng et al., (2016) among young people in urban China highlight the importance of stable employment in determining the homeownership among them. Lieberg (2009) also points towards the role of employment in explaining the housing opportunities among young people aged between 20 to 27 years old in Sweden. Changing demographic patterns amongst younger households has placed further complexity in their interaction with the housing market. There is a strong connection between the position in the labour market and living at home. Young Swedish leave their parental homes later than their previous generations due to the changes in the housing

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market and rising cost of housing. Reducing the unemployment is the best way to assist them to enter the housing market, thereby enabling them to pay for the housing costs.

Another study on housing opportunities among middle and low-income people in Saudi Arabia discovers that people in the high-income category have better access to information about housing opportunities due to their higher level of education (Haytham, 2012). Individuals with strong educational background are more likely to have a higher income, thus, easy to get access and afford to own a home (Deng et al., 2016; Filandri & Bertolini, 2016). Thus, the educational background has become one of the criteria when applying for the housing financing (Drew, 2015; Fu, Zhu, & Ren, 2015; Yu, 2006).

The social class also plays a significant role in determining the housing opportunities among the young people in the housing market. Filandri and Olagnero (2014) discover that European households with high social class have a higher likelihood of homeownership with a high living standard as compared to the middle and lower-class families. The lower-class households are less likely to be the homeowners as compared to the middle and upper classes.

Despite prior evidence that the higher-class households have more possibility for homeownership, this research has found contrary. A research conducted by Filandri and Bertolini (2016) reveals that those young people from the middle-class in Europe are more likely to be homeowners compared to the lower and higher classes. For the upper-class young people, they tend to focus on building their careers. Thus, they often prefer renting over owning due to the flexibility in location.

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In contrast, lower-class young people are unable to be the homeowners due to the lack of resources. As a result, this group of young adults becomes the 'generation rent' as they are excluded from accessing homeownership which later, affect their well-being. In addition to previous work, Drew (2015) suggests that changes in sociodemographic characteristics of young adults aged between 25 to 34 years old impact their ability to enter homeownership. The result postulates that there is a decline in the homeownership rate among the young people due to the changes in the marital and family status of young adults over time, as they are increasingly delaying marriage in favour of cohabitation, additional educational attainment and career development.

Furthermore, the age structure and household type have important independent effects on housing in the U.S housing market. Ageing is often associated with stable income, lower residential mobility, marriage and childbirth which directly influence the housing opportunities among them. Another study conducted in the Philippines claims that family status and age of the individuals mould the housing needs and preferences of those individuals (Roween, 2014).

In a different study, Deng et al., (2016) have examined the determinants of homeownership amongst young people in China. They have found that both the age and parenthood have a positive impact on their housing tenure particularly on homeownership. Young Chinese people aged between 26 and 35 and those with children are more likely to be independent homeowners as compared to the younger Chinese people and those without children.

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As much as prior evidence shows that older age leads to better housing opportunities, a study on housing affordability among Generation Y in Malaysia has reported otherwise. The result suggests that at a young age, a person can enjoy longer financing period which can reduce the amount of their monthly instalment, henceforth, lessen their repayment burden (Ahmad et al., 2015).

Other than that, race also plays an important element in explaining the opportunities that a person has. Race/ethnicity plays a major role in identifying their housing opportunities especially on homeownership. Pendell, Rolf, Lesley Freiman and Myers (2012) have found housing opportunity of many Blacks and Hispanics are often been denied due to the discrimination towards the ethnicity and race. The groups are experiencing lower homeownership rates as compared to the White non-Hispanics. They live in a segregated residential area where lower minority homeownership rates are found in highly segregated metropolitan areas than more mixed ones.

The above discussions correspond with a study conducted by Drew (2015) among young adults in the United States (U.S). The study claims that sociodemographic characteristics of young adults have an impact on their housing opportunities, especially on homeownership. Marital status, age, gender, educational attainment, race, nativity and living arrangements significantly affect their chances of adequate housing. Since this study has carried out a survey among American young adults, thus, the issue of nativity plays significant roles in explaining their housing opportunities.

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3.4.2 Affordability

Affordability as previously elucidated in Chapter 1 includes elements such as financial resources (income, housing price, household expenses and financing). Housing affordability refers broadly to a person's ability to pay for housing. It is the capacity of the individual in financial terms (Almaden, 2014). Affordable housing is housing that does not cost so much that a household is unlikely to be able to meet other basic non-housing needs (Micheal, 2006).

Many analysts rely on median home price to median income as an indicator in measuring housing affordability (Linneman & Megbolugbe, 1992). However, the accepted and most commonly used definition of affordability for a household is to pay no more than 30% of monthly income on housing. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities, such as food, clothing, transportation, and medical cards. As a result, these people can be considered as living under housing stress (Bruce & Kelly, 2013; Chowdhury, 2013). Meanwhile, a study done by Dewilde (2017) defines affordability as the ratio of housing costs to income with 25% to 30 % threshold of income.

There is no standardisation on the definition of affordable housing in Malaysia. Perumahan Rakyat 1Malaysia (PR1MA) defines affordable housing as housing that is adequate in quality and location and does not cost so much that it prohibits its occupants from meeting other basic living costs or threatens their enjoyment of basic human rights (MUWHLG, 2013). Affordable housing should cost three times of annual median income (KRI, 2014); KRI, 2015). Apart from that, housing affordability can also be measured by comparing the cost of housing available in the market to household income (Bruce & Kelly, 2013).

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Poon and Garratt (2012) argue that two dimensions of housing affordability are attainability and sustainability. Attainability is referring to the ability of the households to purchase a property while sustainability refers to their capacity to sustain their purchase.

In many housing studies, a debate is taking place on the influence of income and housing tenure (Bruce & Kelly, 2013). Those with high income can afford to own their house as compared to poorer households (Blanco et al., 2016; Li, 2015). Almaden (2014) investigates the housing affordability among the middle-income earners in the Philippines. The result highlights that the most important factor that influences housing adequacy and affordability is their income. Without a stable income, a person's ability to have a home is limited either by owning or renting as these tenures are correlated with having a sufficient income (Campos et.al., 2016; Bontje, 2016).

Income and wealth are integral determinants to the housing opportunities. In a capitalist country, the housing opportunities are much reliance on the market forces (Doling, 1999a). The influence of financial criteria has been discussed by Doling (1999a) in evaluating the housing system in Eastern Europe. Even though the state dominates the housing production, access to housing is not based on non-financial criteria such as need. Rather, it reflects labour market position whereby higher income groups normally will get access to the largest, best facilities in the best locations. The practice is often seen in a purely market-driven system, where the high-income households can enjoy higher quality housing than the low-income households. Since housing is considered as a commodity rather than social welfare, thus, consumption reflects the market power of individuals (Doling, 1999b; Grange & Pretorius, 2005).

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The influence of economic factors, such as household income, housing prices, required repayments on housing loans, and interest rates, play significant roles in determining housing demand and opportunities among people (Bontje, 2016; Kennett et al., 2013; Visser et al., 2013). As younger generation have become increasingly dependent on the market to fulfil their housing needs, policy discourse on housing for young people has been framed by the concern about affordability for first-time buyers. Such a desire for independent living may have existed for a long time but has been suppressed because of high housing costs in the private housing sector (Yip, 2011).

A study by Zhu (2013), shows that young people in China face various housing problems due to the increasing price of housing and unfavourable institutional arrangements. For the young people to exercise their rights to housing, having a stable income is necessary as this marked their capability to enter into the housing market. Therefore, the income and asset eligibility criteria become the affordability measure to housing (Chiu, Lau & Seo, 2018).

Household income and individual level of monthly incomes are needed to determine the housing affordability among the young generation or generation Y (Ahmad et al., 2015). Furthermore, in a study done by McKee and Hoolachan (2015) among the younger generation in Scotland has identified that for the individuals to become the homeowners, the parental supports and the employment are two important determinants of the individual success to homeownership.

Lack of housing opportunities for the young people is resulted from the high price of houses (Mackie, 2016; Campos, Yiu, Shen, Liao & Maing, 2016; Zyed et al., 2014). In comparison with a decade ago where the property is considered affordable, the property

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prices especially housing has tremendously increased by two or three-fold, while salaries of young adults have yet to catch up with the hike in property prices (KRI, 2014). Hence, affordability is the priority and concern of young purchasers (Yip, 2014).

Bessant and Johnson (2013) in a study among Australians have confirmed that there is a decline in the homeownership, especially among the young Australians. Their housing opportunities are denied due to the increase in housing price. This housing situation is also found in Shenzhen, China where their young graduates face difficulties to afford a house due to the affordability factors (Bontje, 2016).

A study among young married couples in Taiwan reveals that the resources of young adults are closely related to living independently. A young adult who married at an older age and those with higher economic status are more likely to live outside their parental homes (Li, 2013). Even though they can afford the price of the house, they often face difficulties for the down-payments.

This issue can be seen among the first-time buyers in Hong Kong whereby they also face with this constraint about down payments. A few in their twenties are reported unable to save for the deposits given consideration of their basic salary. It has led them to ask for the parental supports among the wealthy families (Yip, 2013).

In Shanghai, housing opportunities of an individual are determined not solely based on the income, but where a person can live is also determined by their social status and affordability of certain areas (Yang, Wang & Wang, 2015).

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A study has been conducted in order to investigate the housing affordability problems among the middle-income group in Dhaka. The study reveals that the middle-income group in this country also suffers from the affordability problems and the monthly income of lower-middle-income families is inadequate to maintain their living standards. This group has to rely on the private rental housing for their accommodation, and, struggling as they spend more than 30 to 40 percent of their monthly income for rent. With the problem, the only settlement that they can afford is the informal settlement, but due to their social status, they cannot live in the settlement (Chowdhury, 2013).

Meanwhile, a study among women reveals that factors such as affordability and availability are important in determining the accessibility to adequate housing. The availability of suitable rental stock is needed to ensure that they can have better housing opportunities if they could not afford into homeownership (Chiu et al., 2018; Izuhara, 2015).

In another study conducted by Campos et al., (2016) among young people in Hong Kong has discovered that affordability and expectation of financial support from parents are two important determinants of housing opportunities among the young people. Young people believe that they would have better housing opportunities especially entering homeownership if they have better economic positions which relate to having a good education and receiving support from their parents.

The issues of affordability are further highlighted in a study done by Zyed et al., (2014). The study was conducted qualitatively through in-depth interviews with young working households in Malaysia. The findings reveal that the main homeownership problem highlighted by them is related to the high price of housing. They find it difficult

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to access to mortgage financing and have insufficient income to pay for the housing deposit due to the high price of housing in the private market.

Similarly, Zhu (2013) in a study concerning youth housing problems in China finds that housing price has sharply increased far than the normal wage earners including the civil servants, resulted to housing affordability problems.

3.4.3 Location

Tan (2012), in a study among younger people in Greater Kuala Lumpur shows that the location is placed as an important aspect when owning a home. The location is significantly influencing their housing opportunities mainly on homeownership (Yip, 2013, Chiu, 2010). They prefer houses that are located near the facilities such as retail outlets, schools, recreational parks and the workplace (Izuhara, 2015).

According to Drew (2015) and Yip (2013), a prime location is the main concern for the young people when choosing to buy. They prefer the location of the houses near to the workplace or their parents as well as near the facilities such as shopping malls and places for leisure activities. They wish the place will be along the railway lines as most people rely heavily on the public transportation for their day-to-day operations. Additionally, a flat in the urban areas is nominated as the most preferred housing type as the property appreciate faster in the urban compared to the suburbs.

Locational preference influences housing opportunities for young people (Yang, Wang & Wang, 2015; Hilber & Liu, 2008). However, it is later shown by the authors that the location is insignificant in explaining the housing opportunities of the people, particularly on homeownership. Many of the respondents prefer to live in the suburbs

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rather than in the urbanised location. Even though the distance is relatively far from their workplace, it does not become a bigger issue since they use to commute daily to the workplace. Rather, they are concerned with the facilities provided at their neighbourhood.

The above findings are consistent with a study by Atasya et al., (2015). The authors have examined the issues of housing price in Malaysia by looking at factors such as structural, location-specific factors and neighbourhood characteristics. As a result of soaring housing price, there is lack of opportunities for adequate housing among people. It is because housing price is based on the location. The location of adequate housing, be it in urban or rural areas must be accessible by every social class of citizens and permit access to employment opportunities and other essential facilities such as health care, schools, child care and other social facilities. The housing also must be free from any pollution or harms.

A report entitled 'Making housing affordable' highlights the influence of locational aspect on the opportunities for adequate housing. Besides the reasonable price of houses, people search for housing that is good in quality and has access to other facilities with the security of tenure. They also wish for better access to housing finance and flexibility in various housing choices (KRI, 2015).

The above finding is consistent with a study by Bruce and Kelly (2013). They discover that Generation Y in Australia has viewed housing as a place to create and express their identity, thus has high expectation on the location of their house in their housing opportunities. However, the main concern is on the issues of affordability among them.

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The importance of location has been documented in a study conducted by Yang et al., (2013) in Beijing. The study finds that the affordable housing policy in Beijing has failed to make housing accessible to the people. As such, the government needs to provide housing that is not only affordable, but integrate the elements of accessibility to the public services in their urban planning.

In addition to work of others, Bruce and Kelly (2013) provide an explanation on the importance of location on the housing dreams of Australia's Generation Y. Their study reveal that young Australians expectation exceed their earning capacity, thus distort their opportunities to adequate housing. They prefer houses that are well-located, spacious, equipped with all the basic facilities and must be affordable and socially acceptable. This is because they believe that their personality reflects the location of their home and people often make judgement on them based on the location of their home. However, they prefer houses that are located close to their workplace and other facilities.

Research finding by Tan (2012) also points towards the importance of location towards the housing opportunities of the people. People are satisfied with the house that is close to the workplace (within 5km) since a living distance from the workplace requires longer travel time and higher expenses. On the other hand, the respondents do not place great expectation to the distance of other facilities such as retailing centres, hospitals or sports centres.

In another study on home ownership among the middle and low-income groups in Malaysia shows that majority of the respondents prefer houses that are located near the public facilities such as retailing stores, markets, clinics, schools, public transportation

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and children playground. Additionally, some of them prefer houses not a distance away from their workplace which is more affordable (Nor Malina & Azrina, 2012).

A qualitative interview has been conducted among women aged 30's to 39 years in Japan. The results reveal that factors such as accessibility, affordability, safe neighbourhood and vicinity to main facilities influence their housing opportunities. Without those factors, they face difficulties in choosing the types of the house, tenure (either renting or owning) and the location of the house (Izuhara, 2015).

Yang et al., (2015) discover that majority of middle-class people in Shanghai live in the high-end residential districts where access to services like elitist is easily available. On the other hand, working class people reside in the outer city, yet enjoy a high quality of life. For the low-income people, they live outside of the suburbs with very minimum facilities. Thus, there is highly segregation of the location of their homes due to their ability to pay and social status they belong.

Although locational aspects play a significant role in determining the housing opportunities of the people, yet, a study conducted in Beijing, China, discovers that housing programmes have failed to make housing affordable and accessible to the people. Even though China government provides housing with low price, but there are no opportunities been offered to the public concerning the accessibility to the public services such as railway stations, schools and hospitals (Yang et al., 2013).

Meanwhile, a study conducted by Hopkins (2013) points out that housing opportunities of the people are highly influenced by the geographical location of the housing market. His findings postulate that younger adults' purchasing power and ability

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to access to adequate housing are associated with the location of the house as the housing development in the city centres is more expensive and segregated than in the suburban. Hence, housing opportunities for the younger adults especially on homeownership are believed to be strongly connected to the availability of easy access to location and mortgage financing (Lennartz, Arundel, & Ronald, 2016).

Schwartz (2013) adds that the location also defines how affordable is the housing in the market. The study has found that majority of the housing supply in the city centres are condominiums and are being offered for rent, thus limits the opportunities to homeownership while houses available for sales are in the suburbs and rural areas. However, as people choose to live in urban areas, their housing opportunities are thus constrained by the high price of the house for rental and buying.

3.4.4 Housing Knowledge

Another factor that has made the housing practice in Malaysia incapable of providing the opportunities for the young people to access to adequate homes is lack of information on the housing projects and housing schemes. Despite the government's approach towards ensuring people to own a house through the introduction of various housing schemes such as PRIMA (Perumahan Rakyat 1Malaysia), People Housing Programme, Homeownership Programme, My First House Scheme, Youth Housing Scheme and Rent-to-Own Scheme, there is still a significant number of people who are not aware of those schemes and some of them do not even understand the benefits they can gain from such schemes.

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It is vital for the people to have awareness and knowledge on the subject matters to facilitate them in making an effective decision (Teixeira, 2014; Brown et.al., 2005). Knowledge about housing and financial matters are important elements in influencing housing opportunities of the people as lack of information about housing will result in a bad choice of housing selections (Saari, 2014;Yang et. al., 2013). Young people should be equipped with knowledge on financial matters as lack of financial literacy will lead to poor housing planning and choices (Zyed, 2014).

Atiles and Bohon (2003) discuss the housing adjustments and barriers to social and economic adaptation among Latinos. Their study discovers that the respondents are confronted with housing deficits such as insufficient income, lack of affordable housing, poor language skills especially English and lack of knowledge on the housing programmes or subsidies available to them. The respondents do not know about the advertisement on affordable housing and are unaware regarding the requirement for housing assistance due to the unavailable information provided by the relevant parties.

Visser et al., (2013) discover that knowledge on housing differs between people. Highly educated people have better housing opportunities because they are more capable of finding the information on housing that suitable with their needs and preferences. They are also more capable of dealing with the complexity of the housing system. Moreover, they can get more access to housing information via the social media because of their extensive exposure.

Noor Hartini (2014) highlights the importance of knowledge on housing in improving the awareness regarding the housing market. In a pursuit to live independently and access to housing opportunities, specifically on homeownership, young people need

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to improve their knowledge and skills regarding all aspects of housing such as home-buying processes, home financing procedures and other housing matters. It is to avoid them from being trapped and discriminated.

3.4.5 Structural

Many researchers have argued that structural factor also plays significant roles in influencing housing opportunities among young people (Arundel & Doling, 2017; Baqutaya et al., 2016; Mackie, 2016; Levitin & Wachter, 2013, Spilerman & Wolff, 2011; Agus, Doling & Lee, 2002). The structural aspect refers to the administrative and regulatory aspects that consist of elements such as the government housing policy as well as the government programmes and initiatives.

Structural factors continue to play pivotal roles in shaping the housing constraints and opportunities among the younger generation (Moreno, 2012; Yip, 2013). The provision of housing, as well as the public policy, has also contributed to the living arrangements of young adults. Since housing is considered as social issues, the government has highlighted its importance in their national agenda for the development of affordable and adequate housing either through rental or homeownership (Aarland & Nordvik, 2009). It can be seen from the development of a national five-year plan that outlines the provision for housing. In Malaysia, the needs for adequate housing has been recognised by the government through the introduction of National Housing Policy (NHP) with various initiatives and schemes to promote the housing opportunities mainly on homeownership among the citizens (Wan Nor Azriyati; Kuppusamy; Doling & Noor Rosly, 2014).

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The institutional arrangements play significant roles in the housing opportunities of the people. The arrangement is concerning its social policy and other housing schemes which play pivotal roles in determining whether people can have an access and afford to have a place to call a home (Doling, 1999b; Mackie, 2016; Mulder, 1996).

Spilerman and Wolff (2011) assure that the governmental policies and the financial supports have influenced the tenancy pattern mainly on homeownership in France. In developed countries, the affordability and the desirability of ownership are also influenced by the availability of social housing. (Blanco et al., 2016).

In another study, Deng, Hoekstra and Elsinga (2016) have examined what drives housing opportunities for young people in China. Their study discovers that factors such as demographics, political affiliation, organisational affiliation, regional affiliation and marketability have influenced housing opportunities among young people in China. Also, findings reveal that young people in China do not have equal access to housing options. It is due to the Chinese culture and practise of cohabiting with parents or parents' in-law even after married. This situation has resulted the delay in their independent living. Realising the importance of housing policy to ensure this social group has better housing opportunities, the researchers propose three recommendations to improve the policy. First, the government could reduce inequalities in terms of accessing to the housing by lowering the down payment requirement or introducing specific subsidies for young people; secondly, to improve housing options especially for young migrants across all tenures which satisfies their needs; and third, to improve the conditions relating to the affordability and security of the rental sector.

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Correspondingly, a result from a study regarding homeownership amongst young people in Europe claims that social policy has a significant influence on the housing opportunities of the young people. The tenure status of the young adults (either to rent or to own) is on the policy of the state. However, when there is minimal state intervention for the housing sector, the socioeconomic structures such as their parental supports and stable jobs play a dominant role in shaping their housing opportunities (Filandri & Bertolini, 2016). Moreover, the size and accessibility of the housing are largely dependent on the institutional context in which it defines the welfare state (Esping-Andersen, 1990).

As much as structural components play decisive roles towards housing opportunities of the younger generation, the support from the government to this generation looks differently from the previous generation who have climbed the housing ladder more easily. Instead, young people are struggling to climb their housing ladder in their pursuit to live independently (Lieberg, 2013; Ronald & Elsinga, 2012).

At the same time, the minimum government intervention in their housing sector has made the housing opportunities of the people are less viable, resulted to the delay in the transitions to adulthood and living independently. A research finding by Moreno (2012), points towards the government intervention in ensuring the housing opportunities of the citizens. His study has found that due to the limited nature of youth welfare policies, economic and labour market insecurities have made Spanish face lack of housing opportunities. It creates intergenerational solidarity to compensate Spanish future social well-being.

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Despite prior evidence that structural plays a significant role in housing opportunities of the young people, there are critics of the coverage of the state's housing policy. Many have argued that the housing policy neither comprehensive nor inclusive, thus, has triggered young people to rely on other factors to facilitate their transitions to living independently. An early study by Agus (1997), highlights that one of the biggest problems in public housing programme in Malaysia is the absence of complete, integrated and comprehensive policy. Also, the Federal, State and Local governments have continuously faced problems in providing adequate housing, both on public and private housing due to the deficient guidelines and housing policy.

According to an investigation by Zhu (2013), young Chinese are struggling with numerous housing problems which hinders their housing opportunities as a result of rising housing price and also unfavourable housing policy arrangements. China has experienced housing reform which transforms their socialist welfare housing system into a market-oriented housing system. Though some claims that many have benefited from the restructuring, however, the study discovers that the changes impacted on different social groups especially the youth. There are different institutional arrangements for various social groups to which they are referred as 'old people' and 'new people'. The arrangement for old people is better as compared to new people whom they are only eligible to receive a certain portion of monthly housing allowance or subsidy for housing. As a result, these young people neither can rent nor can buy a house. Thus, to the author's knowledge, there is no specific housing policy for young people. It is important to realise, affordable housing policies introduced in China have failed to make housing more affordable and accessible for the households especially the youth.

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Similarly, in Malaysia, there are critics towards the housing policy which are often viewed as inadequate in giving the housing opportunities for young people. The deficiency of the policy can also be seen from the competition in the housing industry between the foreigners and the locals. The Malaysian government is encouraging the foreigners and the expatriates to buy houses in Malaysia to boost the country's economy. The initiative can be seen from the introduction of Malaysia as a Second Home Programme (MM2H). Through this programme, foreigners can purchase houses at the price of RM500, 000 and above per unit (www.mm2h.gov.my). In fact, the number of approvals for the MM2H had increased 1,499 in 2010 to 2,387 in 2011, and up to 3,227 in 2012. (www.globalpropertyguide.com). Private developers have viewed this as a golden opportunity to escalate the property price and build the houses with the price of RM 500,000 and above. The locals, especially the young people have to suffer from this stiff competition as they are unable to cope with the rising price.

According to an investigation by KRI (2015), housing is often seen by the government as a welfare issue. Thus, coverage to the low-income people has been extensively made. They perceive this group of citizen lack of adequate housing opportunities, which overlooking the interest of the biggest population. Their housing initiatives have failed to either understand or manage the housing sector, which resulted in a deficiency of the housing policies and practices. As a result, there is an increasing concern among the citizens, especially those in the middle-income category regarding their housing opportunities.

Housing policy alone cannot guarantee adequate and affordable housing for all. Rather, it must be integrated with the other policies. All levels of government and community must be responsible for the success of the housing policies and practices in

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ensuring everybody is adequately housed (Carter & Polevychok, 2004). This study suggests that there should be strong linkages to many other policies including immigration, health, education and social assistance.

Hirayama (2012), highlights that an individual who wishes to form their independent living needs affordable housing. However, due to the nature of housing system that focuses on the homeownership limits their housing opportunities. As the housing system focuses on homeownership rather than other tenure, thus less support is given towards the rental sector. As a result, young people find it difficult to access to affordable housing due to the shortage in the market, especially for a rental.

As such, factors, as deliberated above, are significant to ensure that the young people can have accessibility of adequate homes, particularly opportunities to enter suitable housing tenure either through homeownership, rental accommodation or any other available housing options. Furthermore, the housing policy and practices in Malaysia could be more comprehensive and inclusive in providing better housing opportunities for the young people if all those factors are incorporated when designing and revising the current housing practice. All in all, based on the idea suggested by Theory of Housing Adjustment as popularised by Morris and Winter (1975, 1976 &1998) and the support from the previous international literatures related housing studies, the researcher developed the analytical framework of this study which is summarised in Figure 3.1 (See supra, pp.15-16).

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Figure 3.1: Analytical Framework

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3.5 Conclusion

The analytical framework of this study covers discussion concerning all the variables involved in explaining the housing challenges and opportunities among young people. The development of the variables employed has been developed from the extensive literature reviews on housing studies and the elements outlined in the Theory of Housing Adjustment, which explains the constraints/challenges that people encounter in response to their housing norms or situation. The restrictions faced by them affect their ability to live in normal housing conditions that lead them to find other housing arrangements/solutions and adjust according to their capacity. All the constraints which are encountered by them, if solved, could influence their housing opportunities and achieve their independent living. It is because the housing adjustment depends on the challenges and opportunities they have alongside their socio-demographic factors. As such, factors on socio-demographic, affordability, location, housing knowledge and structural have been identified to influence the housing opportunities of young people which are reflected in the analytical framework of this study.

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CHAPTER 4 : RESEARCH METHODOLOGY

4.1 Introduction

This section elucidates on the research methodology. The researcher explains the research design, population of the study, research samples, sampling techniques for both quantitative and qualitative, data collection, research instruments and data analysis used in this study. The explanation of the research design focuses on the approach used in addressing the research questions. The explanation is further given on the population of the study and the procedures to determine the sample size. The sampling techniques used, data collection techniques and the research instruments (tools employed to answer the research objectives) used in this study are further elaborated. This section also presents the validity and reliability results for the pilot and actual studies.

4.2 Research Design

This study employs both quantitative and qualitative research approaches (mixed method). A mixed method is a research approach that involves a process of collecting, analysing and integrating both quantitative and qualitative data to address the research questions which have been popularly employed in the social, behavioural, and health sciences (Creswell, 2013). A mixed-method design is employed when either the quantitative or qualitative approach itself is insufficient to understand the research problem at best (Creswell, 2009), as in this case is to understand the challenges faced by young people in their pursuit of adequate housing and their housing opportunities. Apart from that, a qualitative approach is needed to examine further whether the housing policy and practices in Malaysia are deficient in providing housing opportunities of the young people.

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Mixed-methods research strategies consist of sequential explanatory, sequential exploratory, sequential transformative, concurrent triangulation, concurrent embedded and concurrent transformative strategy (Creswell, 2009). This study engages the concurrent triangulation research strategy which involves the collection of quantitative and qualitative data simultaneously, and comparison of the database is made to determine any differences, convergence or combination (Creswell, 2009). In this study, the researcher gathered quantitative and qualitative data roughly at the same time and the weightage is equal for both methods. Next, the researcher connected the mixing of both data to the interpretation and discussion section. Then, the researcher integrated the results of the two databases in the debate by explaining the quantitative results followed by qualitative results that support or argue the quantitative results (Creswell 2009). The researcher then made a comparison to know whether the results confirm, disconfirm, corroborated or cross-validated within a single study.

The rationale of using mixed-method is because this study requires different needs, perspectives and a complete understanding of the research problems. Furthermore, combining both quantitative and qualitative methods allows the researcher to offset their weaknesses and enable the strength of both (Bryman, 2012). In the context of this study, the researcher collected the data through a survey by using questionnaires among young people to better understand the difficulties they are facing, their perspective on the housing practice in Malaysia and suggestions for future improvement. Qualitative data were collected through interview with the several identified respondents (young people) to have in-depth understanding on the issues. The researcher also conducted an in-depth interview with the key-informants because these parties can provide comprehensive insights into the rationale whether housing policy and practices in this country are efficient in providing housing opportunities for the young people.

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4.3 Population

The unit of analysis of this study is the young people. Consistent with it, the population of this study is the young people. The study uses terms youth and young people interchangeably. The National Youth Development Policy (1997) defines youth as any person aged between 15 to 40 years old. The total population of Malaysian citizen is 28,334,135 (Department of Statistics, 2010) with 12,443,040 of the population are youth aged between 15 to 39 years. For this study, the youth includes only an individual of Malaysia who is in the category age of 20 to 39 years old as classified by the Department of Statistic. A study conducted by Zyed et al., (2014) regarding homeownership problems among younger working household in Malaysia also employ similar age category as their sample.

The researcher decides to choose a lower limit of 20 years of age, because at that age young people normally leave the tertiary education and embark upon employment. Based on the formal tertiary education system in Malaysia, which is for a Certificate or Diploma holder who normally graduates at the age of 20 years old. At this age, many of them start searching for a job and seek for independent living. Additionally, most of the young people in this country fall under the category of middle-class, whereby most of the middle-class jobs require a Bachelor's degree or at least a Diploma (World Bank, 2014).

There is no specific definition of the middle-income group in Malaysia. However, since 40 percent of the household belongs to the middle group, according to Institute for Democracy and Economic Affairs Chief Executive Officer, the median income of this group as reported by Department of Statistic in 2012 was at RM3,000 up to RM9,800 (www.themalaymailonline.com). Having said that, we can see that most of the housing

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schemes designed exclude them, thus hinder their opportunities to either owning a home or renting at affordable price.

The study has chosen the Greater Kuala Lumpur (GKL) as its location of study. It encompasses of ten (10) research areas based on local authorities, namely Ampang, Kajang, Klang, Petaling Jaya (PJ), Subang Jaya, Selayang, Sepang, Shah Alam, Kuala Lumpur and Putrajaya. According to the Department of Statistic, Malaysia (2010), the total number of population of the youth (young people) in those areas is 2,603,283 million.

4.4 Sample Size

The total population of the young people aged between 20 to 39 years is 2,603,283 million as at 2010 (Department of Statistics, 2014). However, the total population of the young people age 20 to 39 years is estimated at 11,483,700 as at 2016 based on the projection made by Department Statistics (DoS,2016).

The researcher used the sample size table from Krejcie and Morgan (1970) to determine the sample size for this study. Based on the table produced by them, the sample size of the population (N) of 1,000,000 million is equivalent to 384 representatives (Table 4.1). Besides, as the population increases, the sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases (Krejcie & Morgan, 1970). Thus, based on the table for determining the sample size for a given population produced by Krejcie and Morgan (1970), this study employed 400 respondents as the sample size, which is more than required sample size. This number is relevance to the increase of the precision and the reliability of the survey. Additionally, employing 400 respondents as the sample size is sufficient for policy formulation.

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Table 4.1: Table for Determining the Sample Size from a Given Population (Krejcie and Morgan, 1970)

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	55	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

4.5 Sampling Technique

4.5.1 Quantitative study

Greater Kuala Lumpur (GKL) is one of the economic drivers under the Economic Transformation Programme. GKL is 'Mini Malaysia' because, as the capital and commercial heart of the country, it symbolises a vital component in the plan to transform Malaysia into a high-income nation by 2020 (www.etp.pemandu.gov.my). Many of the young people prefer to be in the Central Business Districts (CBD) due to job opportunities. A Migration Survey Report, Malaysia (2011) has found that for the period from 2010 to 2011, the urban-to-urban migration remained a major movement; with the migration population under the age of 15 to 34 years represented more than half (59.9 percent) of the total internal migrants. The survey has stated that this age group has migrated to further their studies, find jobs or find new and better environment. In an article, A Closer Look at Greater Kuala Lumpur Property Market (2015) by Mohd Ikhram

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Merican, the current local population in that area is at 7 million and is projected to rise up to 10 million by 2020, thus indicates strong demand for the housing (www.expatgomalaysia.com). Hence, there is a need to undertake the study in this area.

Regarding the sampling technique, this study utilised multi-stage sampling techniques. It involves several steps in selecting the sample size. The researcher first identified Greater Kuala Lumpur as the study location. Then, the researcher compartmentalised the site of the survey into ten local authorities consisting of Ampang, Kajang, Klang, Petaling Jaya (PJ), Subang Jaya, Selayang, Sepang, Shah Alam, Kuala Lumpur and Putrajaya. Figure 4.1 displays the map of the research area.

Figure 4.1: Location map of research area (Greater Kuala Lumpur)
(Official Website of Greater Kuala Lumpur / Klang Valley, Ministry of Federal Territories, 2015)

Secondly, to identify the chosen areas for study location, this study used purposive sampling technique whereby the researcher chose five areas only namely Kuala Lumpur, Kajang, Subang Jaya, Klang and Petaling Jaya. The researcher then decided to choose

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those areas due to the high numbers of the population among all the ten areas in Greater Kuala Lumpur. Below are the procedures for the determination of the sample size.

i) The researcher identified the location of the study by choosing Greater Kuala Lumpur / Klang Valley. (Figure 4.1).

ii) The researcher then obtained the population of young people age from 20 to 39 years for each of the research areas as shown in Table 4.2.

Table 4.2: Population of young people age between 20 to 39 years (Department of Statistics, 2015)

Local Authority in Greater KL/ Klang Valley	**Number of population**
Kuala Lumpur	623,828
Kajang	329,712
Subang Jaya	317,251
Klang	292,191
Petaling Jaya	268,645
Total	**1,831,627**

iii) After obtaining the total population of young people in the identified area, the researcher calculated the percentage for each of the research areas to determine the precise sample size for this study. For instance, the population of young people based on Kuala Lumpur City Council is 623,828 which accounts to 34 percent of the total young people in GKL. To obtain the percentage of young people in Kuala Lumpur, the researcher first divided the total population of young people in this area with the total population of the whole population of young people in GKL. The calculation is per below:

$$\frac{623{,}828}{1{,}831{,}627} \times 100 = 34\ \%$$

Thus, 34% x 400 sample size = 136 sample in KL

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Based on the sample size determined by Krecjie and Morgan (1970) and the percentage obtained, the sample size for this research area is 136 respondents (34 percent x 400 sample size). Table 4.3 shows the number for questionnaires distribution.

Table 4.3: Sample size for each research area

Research area based on local authority	No of percentage (%)	No of sample size (no of distribution)
Kuala Lumpur	34	136
Kajang	18	72
Subang Jaya	17	68
Klang	16	64
Petaling Jaya	15	60
Total	**100**	**400**

At the third stage, the researcher distributed the questionnaires at public locations such as shopping centres. A shopping mall, for instance, is a place for socialising. Therefore, it is the best place to distribute the questionnaires as there is a high concentration of people in that location and where young people with different backgrounds are likely to be found (Hochstenbach & Boterman, 2014; Kumar, 2011). Another studies (i.e.: Kwan, 2014; Fun, 2012) have also employed the same strategy in in their research regarding housing needs and aspirations of the singletons in Hong Kong and homeownership aspiration in Hong Kong.

Hence, this study has purposively selected Mid Valley Megamall and Sunway Pyramid based on the lists of top 20 shopping malls in the Greater Kuala Lumpur (Malaysia Shopping Malls Association, 2015). The researcher also chose the Empire Shopping Gallery because it situated in the busy city of Subang Jaya. Then, the reason for choosing the Metro Point Complex (MPC) was it is the latest shopping centre in Kajang that caters the middle and high-income bracket within the Kajang area (www.metropoitncomplex.com). For Klang area, the researcher selected AEON shopping

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mall, Bukit Tinggi due to its status as one of the most visited malls by the people catering the population in Klang area. Table 4.4 shows the name of the chosen shopping malls.

Table 4.4: Name of the selected shopping mall in the research area

Local Authority in Greater KL/ Klang Valley	Name of shopping mall
Kuala Lumpur	Mid Valley Megamall
Kajang	Metro Point Complex (MPC)
Subang Jaya	Empire Shopping Gallery
Klang	AEON Bukit Tinggi
Petaling Jaya	Sunway Pyramid
Total	**5**

Finally, in distributing the questionnaires, this study used systematic sampling technique. The researcher approached the samples that fulfilled these inclusion criteria:

1) In the age group of 20 to 39 years old;
2) Currently living in Greater Kuala Lumpur;
3) Either looking for a house, renting or living with their parents or relatives;
4) Employ a job either in government bodies, private sector or self-employed.

For instance, the researcher required a sample of 136 respondents in Kuala Lumpur. To obtain the respondents, the researcher had selected from a random number starting from no 1 to 9 from a box containing these numbers. If the researcher picked the number, and it happened to be no 5, then the respondent number 5, 10, 15, 20, and so on within the inclusion criteria would be sampled until it reached the targeted respondents. The sampling frame in this study is 623,828 of young people aged between 20 to 39 years old. Since the population is too big, thus taking interval is inappropriate as numbering is not always necessary depending on the suitability of the chosen respondents (Bluman, 2012).

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Besides, the researcher only chose the subjects who live in the research areas. The researcher rejected any subject who is not fulfilling the criteria. In reducing the bias, the distribution of the questionnaires was held between eleven to three pm (11 to 3 pm), every day for seven days (Sunday to Saturday). It was to ensure everybody had an equal chance to be selected. Also, only those who live in that research area were chosen as the samples and otherwise were rejected.

4.5.2 Qualitative study

For the qualitative study, 14 key informants were involved in the series of in-depth interview. They are 6 respondents of young people and 8 respondents from housing agencies. The respondents for the in-depth interview were the same respondents who had answered the study questionnaires and identified during the survey stages. The researcher asked if they were willing and interested in sharing more about their experiences and opinions regarding the issues. The researcher decided to obtain six respondents for the in-depth interview. In terms of the sample size, in qualitative research, there is no pre-determined sample size. Qualitative data is collected to a point until the researcher is not getting any new information or it is negligible, then the researcher is assumed to reach a point of data saturation, in which this stage determines the sample size (Kumar, 2011).

A few in-depth interview sessions were conducted to know the roles of the state as the promoters of the housing policy and housing providers about adequate and affordable housing for people. The researcher had conducted an interview with the key informants from these agencies/bodies:

i) The National Housing Department (NHD) under the Ministry of Urban Wellbeing, Housing and Local Government;

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ii) Real Estate and Housing Developers' Association Malaysia (REHDA);

iii) House Buyers Association (HBA); and,

iv) Perbadanan PR1MA.

The interview was conducted with the key informants from the National Housing Department (NHD) under the Ministry of Urban Wellbeing, Housing and Local Government who are responsible for the implementation of housing programmes and activities to improve the quality of life of urban citizens, the key informants from leading representative body for private property developers known as Real Estate and Housing Developers' Association Malaysia (REHDA) that involved in housing advocacy and governance for the private developers, the key informants from House Buyers Association (HBA) as the association protecting the interest of the housebuyers and the key informants from *Perbadanan* PR1MA responsible in planning and developing and maintaining high-quality housing for middle-income households in key urban centres.

All the key informant interviewees were purposively sampled to ensure the representation across a range of expertise relevant to this study. Purposive sampling is used as the researcher collects the information from a person who is likely to have the required information as well as can provide the best information to answer the research objectives (Bryman, 2012).

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4.6 Data Collection Technique

This study used both primary and secondary data in obtaining the information to understand the research problem.

4.6.1 Primary Data

4.6.1 (a) Questionnaire:

This study used structured questionnaires to collect its primary data. Prior to that, a pilot study was conducted to test whether the research was understandable by the targeted respondents. The survey took place at AEON Mall, Shah Alam between 20th June 2016 to 30th June 2016 among 30 respondents. It corresponds with the recommendation highlighted by Johanson and Brooks (2010) that a minimum of 30 participants from the population of interest is reasonable for a pilot study. Similarly, Hill (1998) has suggested 10 to 30 participants for pilots in survey research while Van Belle (2002) has advised the researchers to use at least 12 observations in constructing a confidence interval" (p. 11). On the other hand, in the medical field, Julious (2005) has reiterated that "a minimum of 12 subjects per group be considered for pilot studies" (p. 291).

Before the session started, the researcher introduced herself and briefed the respondents on the purposes of the study. The researcher has obtained the permission from the respondents to participate in the data collection process by requiring them to sign the survey form. During the data collection process, the researcher acted as a numerator, asking the respondents on the questions and fill in the information in the survey form. The survey took place approximately not more than 30 minutes for each respondent.

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The researcher made a few improvements on the instrument following the pilot test findings. For instance, in Part C (Household Income and Expenditure), the respondents have suggested that choices of answer should be given for QC1, QC5 and QC7 instead of asking them to state their monthly income, household income, household expenses and their monthly savings as it could take some time for them to think on the amount, thus leading to the non-response rate. Due to that, the researcher had improved the question of QC1 "How much is your gross monthly income?" by including the choices of answer for their gross monthly income. The other question (i.e.: QC5 "How much is the estimation of your monthly household expenses?" is remained as it is important to capture the details of their monthly expenses to further identify and explain the aspect of their affordability.

Part D (Current Living Arrangement) witnessed the restructuring of the questions to ease the respondents in answering the questions. For example, QD1 "What is your current housing situation?" is not suitable for the respondents currently staying with parents or other relatives as this part aims to know whether young people are currently living independently or otherwise. Thus, for the actual data collection, this part will only be answered by the home-owners and renters.

Other than that, Part F (Factors Contributing to Housing Opportunities), under Affordability Factor, one question (QF2F) "The mortgage instalment over 30 percent of household income deter young people to own a house" is modified to "High monthly instalment deters young people ability to own a house" due to the feedback received from the respondents. As for this question, most of the respondents stated that they did not understand the requirement of the question. Also, there is a strict guideline from Bank Negara Malaysia (BNM) that individuals must not spend more than 30 percent for

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housing as their housing liability. Thus, asking the respondents on this question deemed inappropriate. For Part G, one question is added under QG2.9 "Relax the Employees Provident Fund (EPF) process for the housing down-payment" because of the answer obtained from the respondents are useful to know the possible housing strategies that best respond to the needs of the young people.

Actual survey:

The questionnaire survey was administered using the Self-Completion Questionnaires (Self-Administered Questionnaire). The respondents answered the questions by completing the questionnaires themselves. At this point, the researcher handed out the questionnaires to all the respondents and collected them back upon completion. The researcher obtained the consent from them prior to the survey. Additionally, the researcher waited and corresponded with the respondents to further clarify on the questions raised by the respondents during the data collection process. The process can also be described as a 'supervised self-completion questionnaire' (Bryman, 2012).

After the finalisation of the questionnaire, the actual survey took placed with the respondents between 1st August 2016 to September 2016 with each of the respondents took approximately 30 to 45 minutes to answer the survey questions. The questionnaire is consisted of seven parts and prepared in English language. Part A captured the respondents' demographic background such as gender, age, ethnicity, educational level, marital status and household size. Part B dealt with the information on employment background of the respondents. Part C focused to capture information on household income and expenditure. It consists questions on gross monthly income, gross monthly household income (for married respondents), any additional income respondents' may have, estimation of monthly household expenses and monthly savings.

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For part D, the aim is to know information on the respondents' current living arrangement. Questions such as current housing situation, when did the respondents' starts living independently, age leaving parental homes, reasons for leaving and where they first lived were asked. It was divided into 3 sub-parts. For homeowners, they needed to answer Part D1 where questions regarding the type of their current house, how long they have lived at that house, purchase price, percentage of loan, money they get for the deposit, monthly loan instalment and satisfaction they have with their current house were captured. As for the renters, they must answer Part D2 on the questions such as monthly rental payments, years of renting, whether the monthly rental instalment is affordable and satisfaction towards their current rental house. Part D3 captured the information on those living with parents or their relatives. They were asked on the reasons staying with their parents/relatives and whether they would consider moving from their parental/relatives house.

Part E obtained information on the challenges faced by the respondents in their pursuit to adequate housing. It was divided between homeowners (Part E1) and renters (Part E2). Part F captured data on the respondents' opinion on the factors contributing to housing opportunities. First, the question asked their views on the housing opportunities to own or rent at an affordable price. Next sub-part was divided into 5 themes such as affordability, location, housing knowledge, structural and housing opportunities. Part G aims to gather information on views and strategies regarding housing policy and practice in Malaysia. Overall, the survey has managed to gather 434 target respondents (young people) for this study. The totals of 434 sets of questionnaires were sent out to the target respondents. However, the usable questionnaire for the analysis were 396 sets. Hence, the response rate for this study is 91.2%. The response rate is considered good since the

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minimum sample size required for this study is 384 samples as suggested by Krejcie and Morgan (1970) and Sekaran (2011).

There are several problems encountered during the survey. At first, it was quite difficult for the researcher to obtain the participation from the respondents as most of them were reluctant to participate. Apart from that, 9 percent (38) of the respondents refused to answer questions on their estimation of monthly expenses because the information dealt with their privacy and personal matters. As this issue reflected under ethical consideration, thus, the researcher respected their privacy.

4.6.1 (b) In-depth interview:

The young people and the key-informants were involved in the in-depth interview. As for young people, the researcher interviewed the participants of six people. The respondents were selected based on the pre-determined criteria, similar to the respondents for the questionnaire survey. Also, the researcher interviewed the respondents and represented appropriately based on the age cohort and gender. This session involved a discussion between the participants on the issues covered with the researcher acting as a facilitator to guide the session. The interview took place between October 2016 until December 2016. The discussion/interview was audiotaped and recorded for the transcription purpose.

As for the key-informants from housing agencies, the researcher conducted in-depth interview using a semi-structured format with total of eight key informants. The agencies involved consist of National Housing Department (NHD), Real Estate and Housing Developers' Association Malaysia (REHDA), House Buyers Association (HBA)

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and Perbadanan PR1MA Malaysia (PR1MA). The researcher conducted the interview session on one-to-one basis through face-to-face scheduled appointment meeting from the specified period. When conducting this interview, the researcher had a list of several questions to cover based on the interview guide. However, the interviewee had a leeway in replying to the questions (Bryman, 2012).

The researcher conducted the interview among the key-informants between February 2016 to March 2016. It involved 3 months of the data collection with the key-informants due to the limitation of their time and schedule. Prior to the interview date, the researcher had set an appointment with them two weeks before the session and emailed the questions guidelines to them earlier to facilitate the interview process. During the interview process, consent was obtained and the voice recorder was used to record the interview session with the prior permission granted from them. However, two (2) key-informants refused to be recorded and wanted to remain as anonymous. The researcher was not able to disclose the information on their working experience, age and position due to their privacy. The researcher conducted the interview session in English as all the key-informants are individuals from the top level management and all of them are English proficient. The interview session took around 1 hour for each of the key-informants. A summary table of the key-informants involved in this study is presented in Table 4.5.

Table 4.5: Summary Table of Key-Informants

Key-informant(s)	**Organisation**	**Date and time**
Officer A (1 key-informant)	Perbadanan PR1MA Malaysia (PR1MA)	18 March 2016
Officer A&B (2 key-informants)	House Buyers Association (HBA)	27 February 2016
Officer A, B,C & D (4 key-informants)	National Housing Department (NHD), Ministry of Housing, Urban Well-being and Local Government	3 March 2016
Officer A (1 key-informants)	Real Estate Housing Developers Association (REHDA)	21 March 2016

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4.6.2 Secondary Data

Secondary data is the data obtained from the existing data collected for a different purpose or by someone other than the researcher. The use of the secondary data is important to explore new research questions, support or extend the original analyses, or as a comparison with other data sources (www.sagepub.com). Given that, this study uses secondary data such as official government reports and statistics, reports from Khazanah Research Institute (KRI), Government Acts and Regulations, newspapers, seminar papers, books, handbooks on housing, working papers and articles from reputable journals in assisting the researcher to understand and discuss the issues.

4.7 Research Instruments

Research instrument is the procedure used in collecting the data to answer the research questions. The researcher decided to use questionnaire and interview as the research tools in collecting the data.

4.7.1 Questionnaire

The questionnaire is the main instrument in this study. It is a structured questionnaire and supervised self-completion questionnaire whereby the respondents completed the questions under the supervision of the researcher. The researcher constructed the survey instrument based on the literature review and the elements highlighted in the Theory of Housing Adjustment (Atiles & Bohon, 2003; Lee et al., 2012; Morris, Winter, Morris, & Winter, 1975; Morris, Winter, & Murphy, 1981; Steggell et al., 2015). Several questions were also adapted from studies conducted by Zyed (2014); United Nations High Commissioner (2009).

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The questionnaire for the survey has been pre-tested by the expert in the study areas such as the key-informants of this study and the lecturers. The researcher then administered the survey questions to a small number of people (4 colleagues who resembled the inclusion criteria of the respondents for this study) to gauge the time spent to complete the questionnaire and the responses given by them to further improve the survey questions. The pilot study was then conducted to check on the quality of the research instruments based on the feedback received from the pre-test session. Overall, there are 7 sections consisting of Part A to Part G. The questions in each section are as below:

(a) Part A gathers the information on the socio-demographic data of the respondents. It includes the age group, gender, marital status, ethnic background, educational background and household size.

(b) Part B captures the information on the respondents' employment background such as their employment status, their occupational group and working experience.

(c) Part C focuses on the information about the respondents' financial resources, which include their gross monthly income, household income and other assets/wealth that they might have. In addition, this part also collects the information on the respondents' household expenditure.

(d) Part D covers the respondents' current living arrangement and include information such as household types, the location of their current living and period of living, their housing tenure (i.e., whether they own the house, renting, family residence or other forms of tenure). If they own it, the researcher probes further by asking about their ownership information such as the price of their house. If they rent it, the information on their monthly rental and other related information will be captured.

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(e) Part E gathers information on the challenges faced by the respondents in their pursuit to adequate housing.

(f) Part F collects the respondents' opinion on the contributing factors in providing opportunities to adequate housing. It comprises of four main components consisting of affordability, location, housing knowledge and structural factors. The researcher also gathers information on the suggestions by the respondents to improve housing situations in Malaysia, particularly in responding to the needs of the young people.

(g) Part G gathers the opinions and suggestions regarding the housing situations and housing policy in Malaysia.

4.7.2 Interview Protocol

Before conducting the interview with the respondents, the researcher had planned the approach for the data recording procedures. For the in-depth interview, the researcher conducted the interview session based on the interview protocol. Both in-depth interviews with the young people and the key-informants followed similar protocol before the interview session started. The interviewer informed the interviewee that the interview session will be recorded, and the information given would be kept confidential. As suggested by Creswell (2009), there are several components adopted for the interview protocol as following:

a) Must state the heading that contains the date, place, interviewer and interviewee.

b) The instructions for the interviewer to follow to ensure the standard procedures are used for all the interview session.

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c) The interviewer must start with the ice-breaker questions to build the trust between the interviewer and the interviewee and then follow up with the key questions.

d) Probe 4 to 5 questions to follow up and ask the individuals to explain their ideas in detail or ask them to elaborate more on what they have said.

e) Ensure that there is a space between the questions being asked for the recording purposes.

f) Finally, appreciation statement to acknowledge the time the interviewee spent during the session.

4.7.2 Questions Guidelines

The interview session with the respondents was based on the questions guidelines developed that covered the topic areas in ensuring the flow of the questions. As for the young people, the researcher conducted the interview session around 30 to 45 minutes to gain further understanding on the challenges they faced regarding the housing problems. The researcher asked the respondents about the challenges they faced regardless of their housing tenure, their living arrangements, their opinion regarding the housing schemes introduced by the government and their opinion of the housing options government should have in helping the people to own a home especially among the young people.

Moreover, the question of whether we should have a good rental policy was also been asked. The questions were developed based on the housing issues surrounded the young people in Malaysia and the research problems. Apart from that, the questions developed were based on the researcher's observation from the past international literature on housing study. As for the key-informants, the researcher conducted one to two (1-2) hours interview session based on the semi-structured interview.

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The interview questions were based on several themes such as their roles in promoting the affordable and adequate housing to all, their views on the difficulties faced by the young people in the pursuit of adequate housing, the housing policy and practices in Malaysia and to what extent they benefited the citizens and the recommendations to address the problems arise. Given this, the questions developed were based on the comparison between other successful countries in practicing inclusive housing policy.

4.7.3 Ethical consideration recruitment strategy

Before the interview session with all the key informants, the researcher obtained permission to collect data from those agencies on their willingness to participate in this study. The researcher submitted the official letter and set of questions to their representative a month prior to interview session. The interview session was then schedule based on the date given by the respective agencies. Besides, the ethical consideration has followed University of Malaya Code of Ethics.

4.8 Validity and Reliability

4.8.1 Pilot result

It is important for the researcher to test the research instruments employed in the study. The researcher had conducted a pilot study to identify the areas for improvement for the actual study. The pilot study is important as the first-hand experience dealing with the issues in order to enhance the research design, conceptualization, interpretation of findings, and finally the results (Kezar, 2000). Pilot study can improve the practical understanding in shaping a final study in most significant and comprehensive ways.

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Based on that, for the purpose to examine the quality of the research instrument used in this pilot study, reliability of the measurement was tested. The researcher performed the analysis of Cronbach's Alpha-Coefficient to access the reliability of the measurement. DeVellis (2003) outlines that, the ideal Cronbach alpha coefficient of a scale should be above .70. Also, according to Nunnally and Bernstein (1994), the widely accepted social science cut-off is that alpha value should be .70 or higher for a set of items to be considered scale, but some use .75 or .80 while others are as lenient as .60 (Hair et al., 2010). Cronbach's Alpha values are quite sensitive to the number of items in the scale and the Cronbach's Alpha values will reduce below 0.60. In this case, it may be appropriate to report mean inter-item correlation for the items. The optimal range for the inter-item correlation is .20 to .40 (Briggs and Cheek, 1986). Table 4.6 shows the result of the reliability analysis for the measurement study.

Table 4.6: Summary Results of Reliability Analysis

Variable	Cronbach's Alpha	Number of items	Number of items deleted
Affordability	.624	8	-
Locational	.793	7	-
Housing Knowledge	.877	7	-
Structural	.896	5	-
Housing Opportunities	.898	4	-

There are substantial variation Cronbach's Alpha values for all variables, ranging from .624 to .898. Given that alpha values greater than .60 are generally considered to indicate a reliable set of items. Table 4.5 shows the reliability level for the Housing Knowledge is (Cronbach's Alpha = .877), Structural (Cronbach's Alpha = .896), and Housing Opportunities (Cronbach's Alpha = .898) are considered good because the Cronbach's Alpha values for these four variables are above .80. Conversely, for the Affordability (Cronbach's Alpha = .624) and Locational (Cronbach's Alpha = .793) variables, the level of the reliability level for both variables can be considered as at

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acceptable level, since both Cronbach's Alpha values are above .60 (Hair et al., 2010). Therefore, all the measurements in this study meet the threshold of Cronbach's Alpha that is above .60. Hence, the measurements are acceptable, valid and reliable.

Apart from that, by using descriptive statistics, the normality test is used to test the assumption of normality for each targeted variable. According to George and Mallery (2010), the variable seems to be approximately normally distributed if the value of Skewness and Kurtosis statistics in the range of ±2.0. Also, normal Q-Q plots also one of the tools to measure the normality of the variable. If the majority observed values (smaller dots) lies on the straight line in this plot, thus, this variable is approximately normally distributed (Pallant, 2010; Field, 2009).

Table 4.7 below indicates that the Kurtosis and Skewness Statistic for all variables interested in this study are in the range ± 2.00 except for Housing Knowledge (Kurtosis = 2.315), which indicates that the variables are normally distributed. On the other hand, in terms of Normal Q-Q plot inspection, it shows that majority observed values (smaller dots) lies on the straight line in this plot. Hence, it concludes that all variables are normally distributed. Since most of the criteria used in this normality test conclude that the variables were normally distributed (i.e. two out of three criteria claim normally distributed), consequently, it can barely assume that all the variables are normally distributed.

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Table 4.7: Summary Results of Normality Analysis (Pilot study)

Variable	Skewness Statistics	Kurtosis Statistics	Q-Q plot
Affordability	0.225	-0.712	
Locational	-0.903	1.344	
Housing Knowledge	-0.741	2.315	
Structural	-1.258	1.621	
Housing Opportunities	-0.282	0.261	

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4.8.2 Full-scale study (Actual study)

Exploratory factor analysis (EFA) is conducted to ensure the validity of the questionnaire and each of its variables. The researcher also performed the reliability analysis using the Cronbach's Alpha values for each extracted factor. In the EFA analysis, the researcher assessed the numbers of factors to be extracted through parallel analysis and compared the eigenvalues from factor analysis with eigenvalues from Monte-Carlo simulation. The numbers of factors were retained if the eigenvalues from factor analysis exceeded the simulated eigenvalues (Watkins, 2006). Cumulative percentage of variance is another area of disagreement in the factor analysis approach. In the humanities study, the cumulative explains variance extracted percentage thresholds as low as 50% was acceptable (Thompson et al., 1996; Hair et. al., 2010).

Table 4.8 shows the summary result of EFA analysis for all the variables. Results conclude that all instruments or items to measure the targeted variables in this study are valid in terms of items validity from the EFA perspective (i.e. factor loading > .40 and communalities > .30) and have an excellent reliability level for each extracted variable and also as a whole variable. As such, the regression analysis can be performed since all variables have passed the minimum requirement of the EFA analysis.

Table 4.8: Summary Result of EFA Analysis

Variable	Extracted Variable	Numbers of items	Factor Loading[a]	Communalities[a]	CA	OCA
Affordability	First Dimension	4	.639 → .868	.420 → .763	.809	.734
	Second Dimension	4	.632 → .792	.431 → .672	.703	
Location	First Dimension	5	.611 → .899	.448 → .814	.864	.834
	Second Dimension	2	.765 → .890	.691 → .795	.601	
Housing Knowledge	-	7	.728 → .848	.530 → .719	.909	.909

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Structural	First Dimension	3	.854 → .896	.766 → .815	.861	.786
	Second Dimension	2	.897 → .920	.839 → .854	.816	
Housing Opportunities	-	4	.473 → .871	.223 → .759	.713	.713

Note: OCA = Overall Cronbach's Alpha; CA = Cronbach's Alpha; [a]the reported values is a range values from the minimum value to maximum value.

Besides, by using descriptive statistics, the normality test is performed to verify the assumption of normality for each targeted variable. The variable appears to be approximately normally distributed if the value of Skewness and Kurtosis statistics in the range of ±2.0 (Pallant, 2010). Also, Normal Q-Q plots used to measure the normality of the variable. If majority observed values (smaller dots) lies on the straight line in this plot, this variable is approximately normally distributed (Pallant, 2010; Sheridan, Lyndall & Clara, 2010).

Table 4.9 indicates that the Kurtosis and Skewness Statistic for all variables involved in this study are in the range ± 2.00, thus signify that the variables are normally distributed. As for Normal Q-Q plot inspection, it shows that majority observed values (smaller dots) lies on the straight line in this plot, thus concludes that all variables are normally distributed. Since majority of the criteria used in this normality test concludes that the variables are normally distributed, thus overall, the distribution of variables is normal.

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Table 4.9: Summary Result of Normality Analysis (Actual study)

	Skewness	Kurtosis	Q-Q Plot
Affordability	0.454	-0.337	
Location	-0.392	0.422	
Housing Knowledge	-0.258	-0.111	
Structural	-0.348	0.416	
Housing Opportunities	0.201	-0.237	

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4.9 Data Analysis

4.9.1 Quantitative study

The researcher has employed descriptive and inferential statistics by using International Business Machines Corporation (IBM) Statistical Product and Service Solutions (SPSS) Version 22.0. The normality test is conducted to verify the assumption of normality for each targeted variable. Moreover, Exploratory Factor Analysis (EFA) is used to validate the instruments or items in the research to ensure the validity of the questionnaire. This study used Descriptive statistics to analyse the profiles of the respondents consist of Part A (Demographic background), Part B (employment background), Part C (household income and expenditure), Part D (current living arrangement), Part E (challenges faced by young people in their pursuit to adequate housing), Part F (Factors contributing to housing opportunities) and Part G (views and suggestions).

The descriptive analysis was calculated by looking at the frequency, mean and median of the data distribution. Other than that, Cross Tabulation Analysis is performed to know the income distribution and the current living arrangement according to their age category. In explaining the housing affordability of the respondents based on age group, the researcher employs Chi-Square test to explore the association between age group and marital status, age group and current living arrangement and marital status and current living arrangement. Independent sample T-Test is also used to compare housing opportunities between gender (male and female). One-Way ANOVA Analysis is employed to investigate the differences on housing opportunities between age, ethnicity, educational level, marital status, employment status, working category and income level.

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Secondly, Relative importance index (RII) analysis is used to know the challenges faced by the young people in their pursuit of adequate housing. This analysis also used to explain the views and suggestions from the respondents to be used for the third research objective that is to propose restorative strategies in response to the housing needs of the young people. The analysis is performed by directly using the data and giving the weighted relative index to each indicator based on the data (Jarkas and Bitar, 2012). Besides, it also indicates that the higher the index of the indicator, the more important the indicator is among the indicators in the construct. From this perspective, the highest value indicating the indicator was considered as the most challenges faced by the respondents based on their views. The analysis first calculated minimum, maximum, mean and standard deviation. This index was computed by using equation below:

$$\mathrm{RII}(\%) = \frac{1 \times (n1) + 2 \times (n2) + 3 \times (n3) + 4 \times (n4) + 5 \times (n5) + 6 \times (n6) + 7 \times (n7)}{7 \times (n1 + n2 + n3 + n4 + n5 + n6 + n7)} \times 100$$

RII (%) is the percentage of Relative Importance Index of each attribute for each group of respondents, and n1, n2, n3, n4, n5, n6, and n7 are the number of each grouped respondents who selected: “1” representing strongly disagree, “2” representing disagree, “3” representing somewhat disagree, “4” representing neither disagree or agree, “5” representing somewhat agree, “6” representing agree, and “7” representing strongly agree. Thirdly, Pearson Correlation Analysis is used to investigate the relationship of the two interested variables (Pallant, 2010). Also, Multiple Regression Analysis is used to study the relationship between each of the independent variables and the dependent variable. These analyses were conducted to examine contributing factors influencing housing opportunities among young people.

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4.9.2 Qualitative study

The qualitative data analysis involved a generic form of analysis, whereby the researcher collected qualitative data, analysed it based on several themes or perspectives and reported the themes (Creswell, 2009). In this study, the researcher tape-recorded the data from the interview session with the key-informants, coded, and analysed the transcribed data with thematic analysis from the accumulated manual codings, which involved a procedure of classification, summarisation and tabulation based on thematic analysis. The result of the interview triangulated the findings from the survey (quantitative method). Figure 4.2 shows the process of analysing the qualitative data.

Figure 4.2: Data Analysis in Qualitative Research (Creswell, 2009)

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4.10 Conclusion

Overall, the use of quantitative and qualitative research strategies is suitable to address the housing problems of this study as it involves different research questions. The researcher conducted the in-depth interview with the key-informants to provide details explanation regarding the challenges that young people faced in their pursuit of adequate housing. Moreover, it serves to explain in detail the emerging housing policy and practices in Malaysia so that conclusion can be made whether the current policy and practices are deficient or not. The appropriate statistical analysis and interview answers are gathered to address the problems arise, and the developed research questions. For this study, all the data collection process has followed the ethical consideration recruitment strategy underlined by University Malaya.

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CHAPTER 5 : CHALLENGES FACED BY YOUNG PEOPLE IN THEIR PURSUIT OF ADEQUATE HOUSING

5.1 Introduction

The purpose of this chapter is to report and discuss the findings of the first objective of this study, which is to identify the challenges faced by young people in their pursuit of adequate housing. The overview begins by reporting the socio-demographic profiles of the respondents that include their demographic background, employment background and household income and expenditure. Then, the researcher reports and discusses the findings of the current living arrangement of young people. Finally, the next part of this chapter covers the discussion on the challenges faced by young people in their pursuit of adequate housing. The challenges are discussed from two main perspectives; homeowners and renters. It is important to separate the discussion on the challenges faced by homeowners and renters due to the different challenges faced by them based on their current housing situation.

To know the key challenges faced by the respondents in their pursuit of adequate housing, the RII analysis was performed using the data which weighted the relative index for each indicator. The higher the index of an indicator, the more important was that indicator amongst all the indicators in the construct (Jarkas & Bitar, 2012). Therefore, the result indicates that the highest value will signify the most challenges faced by young people.

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5.2 Socio-Demographic Profiles of the Respondents

A total of 396 young people who lived and worked in GKL/ Klang Valley were involved in this survey. The respondents were identified based on their age category, starting from 20 to 39 years old. On average, the age of the respondents who participated in this study was 28.62 years old (SD = 4.36). Based on their age category, the majority (75 percent) of the respondents were aged between 25 to 34 years old, whilst another 14.4 percent were aged 35 to 39 years. There was only a small number (10.6 percent) of respondents aged between 20 to 24 years. Thus, the researchers can conclude that the majority of them were at the stage of building their lives by having permanent jobs, a hunger for achievement, and in the transition to adulthood, and thus able to comprehend the needs of the questionnaire.

The distribution of the young people in this study corresponded with the overall population based on the age group produced by the Malaysia Department of Statistics. At this age, the transition to independent living among young people takes place in line with the demand of the job, family formation, as a symbol of maturity, entry to homeownership, and also for educational reasons (Clark & Mulder, 2000; Filandri & Bertolini, 2016; and Lieberg, 2013). At this age, young people leave their parental home and seek independent living for educational purposes, social class, employment matters, family structure, and also searching for housing (Clara & David, 2005). Most of them are first-time home buyers and in the process of building their lives by having a permanent job, forming a family, and living a quality life, which is often associated with having a decent and an appropriate home (Nor Hartini, 2014; Zyed, 2014; and Wilcox, 2003).

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The researcher decided to choose the lower limit of 20 years of age because at that age, young people normally leave the tertiary education and embark upon employment. Based on the formal higher education system in Malaysia, for a Certificate or Diploma holder, they normally graduate at the age of 20 years old. At this age, many of them start searching for a job and seek independent living (Ariffian, Anuar, & Zarin, 2013; Visser, Bolt, & Kempen, 2013).

Table 5.1 provides a summary of the socio-demographic profiles of the respondents. Females dominated the population of this study at 51.3 percent, and the remaining (48.7 percent) were male. The distribution of gender was comparatively balanced between them. Concerning ethnicity, the respondents were predominantly Malays at 63.9 percent, followed by 21.5 percent Chinese and 12.4 percent Indians. Malays were found to be the majority of the respondents because they are the dominant ethnic group in this country.

There are three main educational levels in this country; which are primary, secondary, and tertiary education (DoS, 2016). The majority of the respondents in this study received tertiary educational level which accounted for 91.7 percent. Thus, the researchers can say that they were well-educated and occupied between the low and middle-income group in this country. This is because most of the middle-class jobs require a Bachelor Degree or at least a Diploma or its equivalent (World Bank Report, 2014). Only a small percentage of them were secondary (7.8 %) and primary (0.5%) school leavers.

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As for the marital status, the majority (66.9%) of the respondents participating in this study were single, whilst 30.8 percent were married. The remaining (2.3%) were divorcees/widowers. From the findings, the researchers can say that the majority of the respondents stayed single and delayed their marriage possibly due to unstable financial conditions and the unaffordable housing market. Amongst the married respondents, the findings show that on average, the household size was 3.43 persons (SD = 1.13), with a minimum of 2 and maximum of 7 persons per household. The data is relevant to the fact that normally young people aged between 20 to 39 years old have 1 to 5 children added to their family members.

Table 5.1: Demographic Profiles of the Respondents

Profile		Frequency	Percentage
Gender			
	Male	193	48.7
	Female	203	51.3
Ethnicity			
	Malay	253	63.9
	Chinese	85	21.5
	Indian	49	12.4
	Bumiputra	8	2.0
	Others	1	0.3
Education Level			
	Primary School	2	0.5
	Secondary School	31	7.8
	Tertiary	363	91.7
Marital Status			
	Single	265	66.9
	Married	122	30.8
	Divorced / Widower	9	2.3
Age	20-24	42	10.6
	25-29	220	55.6
	30-34	77	19.4
	35-39	57	14.4
Age			
	Minimum	20	
	Maximum	39	
	Mean ± Standard Deviation	28.62 ± 4.36	
Household Size			
	Minimum	2	
	Maximum	7	
	Mean ± Standard Deviation	3.43 ± 1.13	

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5.2.1 Employment background

Employment is one of the important elements influencing the housing opportunities of young people (Bontje, 2016; Jarmila Vidova, 2011; and Pendell, Freiman, Myers, Hepp, 2012). Table 5.2 provides details on the employment background of the respondents. Almost all of them were salaried workers. The majority (64.4 percent) of the respondents in this study were private sector employees, whilst only 33.1 percent were public sector employees. There is a preference for young people in Malaysia to work with the private sector for a decent salary.

There are four main employment categories in Malaysia: office administration or clerical, professional or technical, manager or administrator or sales and business (DoS, 2016). Of these, 34.6 percent of them worked in office administration and clerical, whilst 32.6 percent were from the professional or technical categories. In the sales and business category, there were 16.2 percent of them and 9.8 percent worked as managers or administrators. Since the majority of them were aged between 25 to 29 years old, their working experience was less than ten years. 73.2 percent of them had working experience of less than seven years. People in groups like this are new to the workforce, in the early stages of their career development, often hunger for achievement, desire to have a home, and search for independent living. There were only 26.8 percent of the respondents who had been working for more than seven years.

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Table 5.2: Employment background

Profile	Frequency	Percentage
Employment Status		
Public sector employees	131	33.1
Private sector employees	255	64.4
Self-employed	10	2.5
Working Category		
Manager or administrator	39	9.8
Professional or technical	129	32.6
Office administration and clerical	137	34.6
Sale and business	64	16.2
Worker or skilled labour	4	1.0
Labour or half-skilled labour	5	1.3
Others	18	4.5
Working Experience		
Less than 1 year	84	21.2
1-3 years	108	27.3
4-6 years	98	24.7
7-9 years	44	11.1
10-12 years	40	10.1
13-15 years	17	4.3
More than 15 years	5	1.3

5.2.2 Household income

Income plays a dominant role in determining the housing opportunities of the younger generation (Atasya et al., 2015; Bontje, 2016; Deng et al., 2016). Table 5.3 presents the findings on the household income of the respondents participating in this study. There are three main categories of income groups in Malaysia, which consist of B40 (monthly income less than RM3,860), M40 (monthly income range between RM3,860-8,320), and T20 (monthly income more than RM8,320) (Economic Planning Unit, 2015; Ministry of Finance, 2016). The majority of the respondents (57.9 percent) in this study earned between RM3,001 to RM8,000 monthly. Another 36.6 percent of the interviewees received below RM3,000 for their gross monthly income. Meanwhile, only 5.7 percent of them earned more than RM8,000 in their gross monthly income.

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Therefore, the researchers are able to assume that the majority of the respondents earned between RM3,000 to RM 8,000 and were considered as members of the middle-income group (M40), with variations in the top-middle, middle-middle, and lower-middle. There were 36.6 percent of the respondents falling in the low-income group (B40) as they received less than RM3,000 for their gross monthly income. Only 5.7 percent of them were receiving more than RM8,000 for their gross monthly income, indicating that they were members of the top income group (T20). However, a report on the mean monthly gross household income for the T20 as of 2014 was RM15,690 in the urban area (DoS, 2015). Thus, the respondents with a monthly income of more than RM8,000, in this study, were still considered as part of the middle-income group, moving to the T20, but still suffered from difficulties in owning a house; this can be seen from the rationale of the existing housing schemes eligibility that covers the household incomes between RM2,500 to RM10,000.

Table 5.3: Household income

Profile	Frequency	Percentage
Gross Monthly Income		
Less than RM 3000	145	36.6
RM 3001 – RM 4000	120	30.3
RM 4001 – RM 5000	45	11.4
RM 5001 – RM 6000	31	7.8
RM 6001 – RM 7000	22	5.6
RM 7001 – RM 8000	11	2.8
RM 8001 – RM 9000	11	2.8
RM 9001 – RM 10000	5	1.3
RM 10001 – RM 11000	4	1.0
RM 11001 – RM 12000	1	0.3
More than RM 12000	1	0.3
Gross Monthly Household Income[a]		
Minimum	3200	
Maximum	20000	
Mean ± Standard Deviation	9603.28 ± 3640.34	
Current Employment Spouse Status[a]		
Public sector employees	44	36.1
Private sector employees	71	58.2
Self-employed	4	3.3
Others	3	2.5
Other Income		
Yes	46	11.6
No	350	88.4

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Monthly Saving		
Yes	340	85.9
No	56	14.1
Estimation of Monthly Saving		
Minimum	100	
Maximum	3000	
Mean ± Standard Deviation	**630.62 ± 403.16**	

Note: [a] only applicable for the married respondents.

For married respondents, their gross monthly household income ranged between RM3,200 to RM20,000 a month, with an average of RM 9,603.28 (SD = 3640.34). Overall, the distribution of the gross monthly income and household income fits the housing schemes, such as MyFirst Home Scheme (MFHS), 1Malaysia People's Housing Project under PR1MA (PP1M), Youth Housing Scheme (YHS), and MyDeposit Scheme offered by the government in helping them in their pursuit of adequate housing. All of the specified schemes stated the range of monthly household income between RM 2,500 to RM10,000 in their eligibility requirements. There was only a small percentage of the respondents with a monthly income of more than RM10,000. This group was no longer considered as a middle-income group.

Amongst the married respondents also, 58.2 percent of their spouses were private sector employees; whilst 36.1 percent were public sector employees. Only 5.8 percent of them were self-employed, such as doing online businesses, and others were housewives. The finding shows that with the current economic scenario, educational background, and living conditions of this country, both husband and wife are working and contribute towards the family economy. When asked whether they had other income to support their monthly expenses, most of the respondents (88.4 percent) chose 'No'. Only a small number of those surveyed (11.6 percent) had miscellaneous revenues besides their fixed salary. Amongst the other income specified by them, were online businesses, rental houses, selling insurance, providing tuition services, and printing services.

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In terms of savings, 85.9 percent of the respondents saved every month. The minimum of their estimation of monthly savings was RM100, and the maximum was RM3, 000, with the average monthly savings of RM630.62 (SD= 403.16). Only 14.1 percent of the respondents did not have monthly savings due to their meagre income and other commitments. The finding reflects their financial literacy to save for their future living arrangement. The savings may help them to pay for the housing deposits if they wish to own a home or pay for the rental deposits.

The income distribution amongst the respondents (young people) according to their age group was further explored. The majority of the respondents aged between 20 to 24 years old earned less than RM3,000 a month. For the respondents aged 25 to 29 years old, the finding shows that they received between less than RM3,000 to RM5,000 in their gross monthly incomes. Since they were just entering the workforce, the income distribution was common in the job market for this age category. For the respondents aged 30 and 34 years, their gross monthly incomes were indicated to be RM3,001 to RM8,000. As for the respondents aged more than 34 years (35 to 39 years), they earned around RM4,001 to RM9,000 a month. The income patterns show an increment in their earnings because, at this age, they had more working experience and were in the process of stabilising their career (Figure 5.1). In general, the researchers can conclude that the majority of the young people in this study were eligible for the housing schemes offered by government and other relevant agencies as discussed in Chapter 3. There is a high tendency for people in this to leave home and form their independent living as they grow older, marry and have children, (Deng, et al., 2016).

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Table 5.4: Distribution of the Gross Monthly Income by Age Group (Author, 2017)

	Age category			
	20-24 years	25-29 years	30-34 years	35-39 years
Income category (RM)	RM<3,000	RM<3,000-5,000	RM3,001-8,000	RM4,001-9,000

Figure 5.1: Cross-Tabulation of Age and Current Gross Monthly Income of Young People

Given these points, there is no precise definition for identifying the income groups in Malaysia as the percentage and the income range for each cluster keeps on changing. However, at the current year, three income groups have been identified by the government, consisting of B40, M40, and T20 (Economic Planning Unit, 2015; Ministry of Finance, 2016). As such, based on the definition of the income groups as outlined by the government, the distribution of the income groups in this study is presented in Table 5.5.

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Table 5.5: Income Group Distribution of Young People

Income group	Percentage of total population in this study (%)
Bottom 40 (B40)	36
Middle 40 (M40)	58
Top 20 (T20)	6
Total	100

5.2.3 Household expenditure

The household spending is unequal depending on the needs of the family members. The researcher asked nine types of expenditure questions of the respondents; these consisted of transportation, food, utilities, loans, insurance, telecommunication, children, shares/fixed deposit, and miscellaneous expenditures. Tables 5.6 and 5.7 shows the distribution of the percentages of household expenditures in different types of services and goods. There was an unequal distribution of the respondents' rates for each of the questions on expenditures.

The findings also show that amongst the 90.9 percent of the respondents who answered, the majority of them spent around RM100 to RM600 monthly for their transportation expenditure. For the food expenditure, out of the 90.9 percent of those who answered, 81.7 percent of them spent around RM100 to RM 800 a month for this expense. Regarding utilities, out of the 81.8 percent of the respondents who answered, the majority allocated around less than RM300 monthly for their utility expenses.

Based on the findings, the biggest chunk of their spending went to loans and their children's expenditure, for which they allocated around more than RM500 in a month. Of the 67.7 percent of the respondents who answered the question on loans, 41.5 percent spent more than RM400 monthly for their loan expenses. For the question on insurance, only 48.2 percent responded to this with the majority of them allocating around RM100

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to RM 400 for their insurance expenses. Regarding expenses on telecommunication, out of 91.9 percent of the respondents, 87.8 percent of them spent below RM300 per month for this purpose. Amongst the 20.7 percent of the respondents who answered on children's expenditure, 11 percent of them allocated more than RM500 a month for their children's expenses. For other costs like the savings expenditure (Fixed deposit/ Shares), the respondents spent relatively around RM100 to RM400, which represents only 9.3 percent of the respondents who answered this question. As for miscellaneous expenses, of 20.7 percent, 13.3 percent of them allocated more than RM300 monthly for this purpose.

As has been noted, this study discovers that questions on their monthly household expenditure seemed challenging and sensitive for some of the respondents. Most of them were reluctant to answer the questions related to their expenses. Hence, it is difficult for the researcher to make any generalised statement about how much they had spent for their monthly expenditures and to what extent their expenses took over their monthly income.

Table 5.6: Household Monthly Expenditure

Range (RM)	**Expenditure Type**											
	Transportation		**Food**		**Utilities**		**Loans**		**Insurance**		**Telecomm.**	
	N	%	N	%	N	%	N	%	N	%	N	%
<100	37	9.3	15	3.8	168	42.4	11	2.8	55	13.9	197	49.7
101-200	74	18.7	31	7.8	115	29	49	12.4	74	18.7	117	29.5
201-300	74	18.7	65	16.4	27	6.8	30	7.6	32	8.1	34	8.6
301-400	71	17.9	55	13.9	5	1.3	14	3.5	13	3.3	5	1.3
401-500	49	12.4	82	20.7	4	1.0	25	6.3	7	1.8	2	0.5
501-600	29	7.3	58	14.6	5	1.4	16	4.0	10	2.6	2	0.6
601-700	8	2.0	16	4.0	0	0	22	5.6	0	0	0	0
701-800	14	3.5	17	4.3	0	0	11	2.8	0	0	0	0
801-900	1	0.3	1	0.3	0	0	6	1.5	0	0	0	0
901-1,000	1	0.3	13	3.3	0	0	12	3.0	0	0	0	0
>1,000	2	0.6	7	1.9	0	0	72	18.3	0	0	0	0
Not Answer	36	9.1	36	9.1	72	18.2	128	32.3	205	51.8	39	90.1

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Table 5.7: Household Monthly Expenditure

Range (RM)	Expenditure Type					
	Children		ASB/Fixed/Shares		Miscellaneous	
	N	%	N	%	N	%
<100	2	0.6	13	3.3	2	0.6
101-200	12	3.0	9	2.3	13	3.3
201-300	5	1.3	9	2.3	15	3.8
301-400	8	2.0	2	0.5	5	1.3
401-500	12	3.0	2	0.5	22	5.6
501-600	8	2.0	2	0.5	25	6.4
601-700	7	1.8	0	0	0	0
701-800	8	2.0	0	0	0	0
801-900	11	3.1	0	0	0	0
901-1,000	1	0.3	0	0	0	0
>1,000	8	2.2	0	0	0	0
Not Answer	314	79.3	359	90.7	314	79.3

5.3 Housing Affordability of the Respondents

Affordable housing should cost three times the annual median income (KRI, 2015; KRI, 2014). Poon and Garratt (2012) argue that the two dimensions of housing affordability are attainability and sustainability. Attainability refers to the ability of the household to purchase a property, whilst sustainability refers to their ability to sustain their purchase. Many analysts have been reported to rely on the median home price to median income as an indicator in measuring housing affordability (Linneman & Megbolugbe, 1992).

According to the report of the household incomes in Malaysia, the median income in an urban area was RM5,156 in 2014 (DoS, 2015). Based on the calculation of the annual median income (RM61,872), the housing price for this income category should have been around RM185,616. As such, by taking the above rule, affordable housing should have been priced at not more than RM200, 000. Based on the Malaysian house price index, the average housing price for all houses in Q3, 2015, stood at RM317,768. Therefore, looking at the current housing market, especially in the Klang Valley, the housing price offered was beyond the affordability of the people.

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The above situations show that most of the respondents, where the majority of them earned between less than RM3,000 to RM8,000, and fell in the lower to middle-income group, could not afford the housing offered in the market. This group of people, finds it very hard to afford even affordable housing that meets their needs and preferences. More seriously, they are neither eligible for public housing, nor can they afford private housing. They are trapped in the worst housing situation.

For the purpose of this study, the housing affordability of the respondents has not been measured. However, to describe housing affordability, further analysis was made using the cross-tabulation analysis to know the differences between age group and marital status, between age group and current living arrangement, and between marital status and current living arrangement. For this purpose, the researcher separated the age group into two categories: 1) less than 30 years and 2) more than 30 years old. The findings of this study reveal that the married respondents were more often in the older age category (>30 years old) than the single category. It shows that there is an association between age and marital status (Table 5.8).

Table 5.8: Differences Between Age Group and Marital Status

Marital status	**Age group**				**Total**
	<30 years		>30 years		
	F	%	F	%	
Single	227	86.6	38	28.4	265
Married	31	11.8	91	67.9	122
Divorcee	4	1.5	5	3.7	
Total	262		134		396

X^2= 137.397, p <.005 (.000), df = 2

A chi-square analysis was also conducted to know the association between marital status and their current housing situation. The result shows that most of the married respondents owned their home, while the unmarried respondents were currently renting

or living with their parents / relatives (Table 5.9). Thus, this implies an association between marital status and their current living arrangement.

Table 5.9:Differences Between Marital Status and Current Living Arrangement

Marital status	**Current living arrangement**				**Total**
	Owning		Other (renting, living with parents)		
	F	%	F	%	
Single	21	7.9	244	92	265
Married	73	75.3	49	40.2	122
Divorcee	3	33.3	6	66.7	9
Total	97		299		396

X^2= 122.111, p <.005 (.000), df = 2

The data in Table 5.10 below presents the result on the cross-tabulation between age group and their current living arrangement. The respondents aged more than 30 years old had more affordability to own a home compared to the respondents aged below 30 years old. The data on the average monthly household income for the married respondents was at RM9, 603, indicating that they had more financial capability to gain access to housing. As they were married and had dual incomes, they had more affordability than those with single incomes. For the respondents aged below 30 years old, a majority of them were single and lived in rental house or their parents' house. With a majority of them earning less than RM3, 000 in their gross monthly income, their affordability was much less than the married people. Hence, their housing opportunities were limited, and they solved their affordability problems by renting or staying at their parental homes/relatives.

Table 5.10: Differences Between Age Group and Current Living Arrangement

Age group	**Current living arrangement**				**Total**
	Owning		Other (renting, living with parents)		
	F	%	F	%	
< 30 years	17	6.5	245	93.5	265
>30 years	80	59.7	54	40.3	134

X^2= 135.735, p <.005 (.000), df = 2, odd ratio=.047

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Given these points, this study has concluded that the respondents aged more than 30 years old had more affordability to own a house than those below 30 years old. At this age, their income was higher, and they had more working experience; and, they had the opportunity to combine their incomes for loan financing, making their access to housing much faster than for a single person (Arundel & Doling, 2017; Izuhara, 2015).

5.4 Current living arrangement

Where do young people live? It is important to know the status of the current housing situation for young people in this country. Young people in other nations like China, Japan, Hong Kong, and the UK were reported to be living in their parental homes and delaying their marriage due to housing difficulties (Campos, Yiu, Shen, Liao, & Maing, 2016; Clapham, Mackie, Orford, Thomas, & Buckley, 2014; Deng et al., 2016; Izuhara, 2010, 2015; Li, 2015; McKee, 2012). They preferred to stay living with their parents because family means so much to them (Li, 2014; Stone et al., 2014), and it provided a stable accommodation (Deng et al., 2016). Besides that, there were also highly considerable percentages of the respondents who were currently renting their accommodations (Hoolachan et al., 2016; Izuhara, 2015; Watt, 1996).

In Malaysia, the findings show that the majority (47.4 percent) of the respondents were currently renting their house with 24.7 percent renting with co-tenants and the rest (22.7 %) renting on their own. Another 28 percent of the respondents were still living with their parents or other relatives (Table 5.11). From the total population of this study, only 24.5 percent owned their house and were considered as homeowners. Factors such as high housing price, limited financial ability, and economic uncertainties justified why renting outnumbered owning (Hoolachan, McKee, Moore, & Soaita, 2016; Beer & Faulkner, 2013; and Rugg, 2010).

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Table 5.11: Current Living Arrangement

Profile	Frequency	Percentage
Current Housing Situation		
Currently own	97	24.5
Renting	90	22.7
Rent with co-tenants	98	24.7
Living with family or relatives	111	28.0
When did you first leave your parental home, and starts living independently?		
Less than 1 year	12	4.2
1-3 years	56	19.6
3-5 years	52	18.2
5-7 years	47	16.5
7-9 years	31	10.9
More than 9 years	87	30.5
Age you first leave you parental home?		
Minimum	16	
Maximum	30	
Mean ± Standard Deviation	21.11 ± 2.63	
Reasons leaving parental homes?		
Educational	156	54.7
Employment	109	38.2
Married	20	7.0
Where did you first live after leaving your parental homes?		
Rental housing	247	86.7
Own housing	4	1.4
Others	34	11.9

The findings provide evidence that the majority of the young people delayed their transition to adulthood and independent living. This can be seen from the number of renters and those living with their parents outnumbered those who owned houses. The living arrangement of the young people reflects the findings of Izuhara's (2015) study which found that there was an increasing number of Japanese young people aged 30 to 39 years old in their parental homes or the private rented sector due to economic uncertainties.

The current living status of the respondents based on the cohorts of their age has also been analysed. It is important to study the housing situations amongst the younger generation because their living arrangements differ based on their age group (Lieberg, 2013). The findings from the cross-tabulation analysis (Figure 5.2) shows that the

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majority of the respondents (82.5 percent) who currently owned their home at ages between 30 to 39 years old was a result of their longer working experience, decent salary, and marital status (which means they had dual incomes), which facilitated their transition to homeownership (Drew, 2015; Yang et al., 2015).

For respondents aged between 20 to 29 years (37.8 percent), the majority were still living with family or other relatives. It is a common scenario for young people at this age to be living in their parental homes as some of them have just graduated from the tertiary education and newly joined the workforce. Thus, their transition to independent living takes place slowly. For those who were currently renting, 57.7 percent of them were aged between 25 to 29 years old. At this age group, they were in their process of building their life and searching for independent living. Thus, renting was their option before settling down as homeowners as they needed to improve their financial situation before the transition period.

The above living arrangement of the young people reflects the findings of Lieberg (2013) in Sweden. The findings revealed that youth staying with their parents was prevalent for the age group of 20 to 23. Meanwhile, 85 percent had their own home at the age of 24 to 27 years. A similar scenario could be seen in Hong Kong where young people were reported to be staying with their parents until their marriage or they left for further education (Campos et., al., 2016; Yip, 2013).

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Figure 5.2: Cross tabulation of Age and Current Housing Situation of Young People

The researcher asked the respondents when they had left their parental homes and started living independently. The findings revealed that 30.5 percent of the young people started living independently more than nine years earlier, followed by 65.2 percent having left their parental homes somewhere between 1 year to 9 years earlier. Nevertheless, there were 4.2 percent who had just left their parental homes and started living independently less than one year earlier. They also cited that the minimum age when they first left their parental homes was at 16 years of age and 30 years (Table 5.11). The majority were the respondents who had gone to boarding school and stayed at the hostel as their first accommodation when they first left their parents' house.

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The average age when they started living independently (left their parental home) was 21.11 years (SD = 2.63). This age demonstrated the standard age for young people to join the workforce after graduation. Besides that, at this age, they would normally move out from their parents, especially if the workplace was far from their family house. Since finding a home was necessary for their pursuit to adequate housing, another reason why they left their parental homes was due to educational purposes, followed by employment, and marriage. Young people normally leave their parental homes and live independently due to various reasons, such as family formation, educational reasons, marriage, and employment opportunities (Li, 2014; Izuhara, 2015).

For those leaving their parental homes, the first house they landed was rental housing. 86.7 percent of the respondents cited rental housing as their first house after moving out from their family home. Many of the young people preferred to rent a house due to its flexibility, availability, and affordability (Filandri & Bertolini, 2016; Izuhara, 2015; and Rugg & Quilgars, 2015). Apart from that, 11.9 percent of the respondents lived in other types of accommodation, such as private hostels and company hostels.

Table 5.12 presents the findings on the homeowners' current living arrangement. Several questions were asked to capture their current living situations, such as their types of houses, how long they had lived in their current house, the purchase price of the house, years of buying, and several more. Out of 97 homeowners, the majority of them lived in an apartment/condominium. The finding of this study shows that the major types of houses were apartments/condominiums (including low-cost apartments) which accounted for 58.8 percent. The situation shows that homeowners preferred to stay in an apartment/condominium as their first house because at this point, they were at the early of their career development and the only purchase price that seemed affordable to them

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was an apartment. Also, due to their small household size, it was a convenience for them to stay at that type of house.

Since the respondents of this study were young people, aged between 20 to 39 years old, the finding, consequently, reflects a housing choice of the younger generation who prefer to stay at a high-rise building instead of landed property. A study conducted among young working households in Malaysia found that the apartment/condominium was among the house types that could be afforded by young people (Zyed, 2014). It has also been revealed from a study conducted by Atasya et al., (2015) that medium income people preferred high-rise buildings, such as apartments or condominiums for their living arrangement. Hence, this type of house is one of the highest supplies in the Malaysia housing market (DoS, 2016; Valuation and Property Service Department, 2016; KRI, 2015).

Table 5.12: Current Living Arrangement – Homeowner

Profile	Frequency	Percentage
Types of current houses		
Single-storey terrace	6	6.2
Double-storey terrace	12	12.4
Single-storey semi-detached	3	3.1
Double-storey semi-detached	9	9.3
Single-storey detached	3	3.1
Double-storey detached	7	7.2
Low-cost apartment	13	13.4
Apartment / Condominium	44	45.4
Lived at current house		
Less than 1 year	14	14.4
1-3 years	31	32.0
3-5 years	30	30.9
5-7 years	12	12.4
7-9 years	3	3.1
More than 9 years	7	7.2
Purchase price of current house		
Minimum	35000	
Maximum	800000	
Mean ± Standard Deviation	329823.71 ± 150942.52	
Year of purchase		
Minimum	2004	
Maximum	2016	
Mean ± Standard Deviation	2012.07 ± 2.51	
How did you own the house you live in now		

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Self-finance	2	2.1
Financial institutions	87	89.7
Family assistance	3	3.1
Family inherited	3	3.1
Others	2	2.1
Age of first own house		
Minimum	20	
Maximum	39	
Mean ± Standard Deviation	29.27 ± 3.09	
Percentage of loan		
Minimum	50	
Maximum	100	
Mean ± Standard Deviation	87.01 ± 9.91	
Deposit Money[a]		
Own	71	75.5
EPF withdrawal	64	68.1
Other	25	26.6
Monthly loan installment		
Minimum	124	
Maximum	4000	
Mean ± Standard Deviation	1795.52 ± 817.12	
Installment Period		
Minimum	11	
Maximum	35	
Mean ± Standard Deviation	26.25 ± 5.31	
Monthly installment affordable		
Yes	51	52.6
No	46	47.4
Satisfaction level towards current house		
Slightly satisfied	11	11.3
Moderately satisfied	30	30.9
Very satisfied	27	27.8
Extremely satisfied	29	29.9

Note: [a] it is multiple choice questions.
(N=97)

The remaining 41.2 percent of the respondents lived in the landed type of houses, ranging from single-storey terrace, double-storey terrace, semi-detached houses (single and double-storey semi-detached), and detached houses. When asking the respondents regarding how long they had lived at their current house, the findings discovered that the majority (62.9 percent) had lived at their present house for around 1 to 5 years.

Regarding the purchase price, the minimum price paid by the respondents was reported to be RM35,000, and the maximum purchase price was RM 800,000 with the average price being RM329, 823.71 (SD= 150,942.52). The minimum year of the house

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purchased by the respondents was reported as being 2004 and the most recent year was in 2016. The majority (89.7 percent) owned their house through financing from financial institutions, such as banks, with the minimum percentage of 50 to 100 maximum loan financing. The assistance from banking institutions was the main approach in getting the loan funding in this country. The remaining (small percentage) owned their house through another form of assistance, such as family assistance, family inheritance, and self-finance. This reflects that young people relied heavily on credit from financial institutions, such as banks, in getting the loan financing as not many people can self-finance or receive intergenerational transfers from their parents or relatives which is commonly practiced in other countries. Unlike Malaysia, intergenerational transfers become the key factor influencing housing opportunities of the young people, specifically for homeownership, in countries like Hong Kong, China and the UK (Elsinga, 2017; Campos, Yiu, Shen, Liao & Maing, 2016; Deng et al., 2016; Hoolachan et al., 2016).

For the housing deposit, 75.5 percent used their own money to pay for the housing deposit, whilst 68.1 percent opted for their Employees Provident Fund (EPF) withdrawal for such a purpose. Withdrawal from the EPF was a popular mode of paying for the housing deposit as the fund allows the use of the EPF contribution for that purpose. Only 26.6 percent of the respondents used another channel, such as getting help from the family and sharing with their spouse to pay the housing deposit. The respondents also paid their monthly loan instalment between RM124 to RM4, 000 with the average of RM 1795.52 (SD= 817.12) and the minimum instalment period of 11 to 35 years (Mean= 26.25, SD=5.31). When asked whether the loan instalment was considered affordable for them, 52.6 percent of them said 'Yes' whilst the other 47.4 percent rated it as not affordable. This implies that some of the respondents may have been willing to pay a lot for housing and spend less on other expenses whilst others were not.

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The respondents highlighted that despite the unreasonable housing price, they purchased the house because they believed that the price would continually increase every year. Thus, buying at that time was considered appropriate for the homeowners. Finally, in terms of the satisfaction level towards their current house, it is difficult to make any generalisation about to what extent the respondents were satisfied with their current house as the question in the survey was too general. The finding found that all of them were satisfied with the house they currently owned with the variance of the satisfaction level from slightly satisfied to extremely satisfied.

While some of the young people owned their current house, and others remained living in their parental home, the majority of the young people established themselves as renters and relied on private rental housing for their living arrangement. This group of individuals depended on the private rented sector (PRS) to meet their housing needs because they were either being excluded from homeownership or public housing (Bontje, 2016; Hoolachan et al., 2016; McKee & Hoolachan, 2015). Apart from that, this has become the main housing tenure represented by younger people due to the nature of this tenure that is accessible and mobile as they enter the labour market (Rugg & Quilgars, 2015).

As a result, it may cause a delay in their transition to adulthood and achieving their independent living (Hoolachan et al., 2016; Li, 2014). Table 5.13 shows that the monthly rental payment paid by the respondents was around RM100 to RM2,000 with an average being RM545.30 (SD=414.34). Besides, the majority (80.9 percent) of the respondents who were currently renting, considered the monthly rental payment as affordable; whereas the remaining (19.1 percent) argued that their monthly rental

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payment was unaffordable. They claimed that the monthly rental payment was quite high, especially in main towns.

Also, with the current cost of living and high monthly rental payment, it caused a burden, especially for those with a low salary. Even though there is a salary increment every year, but it is not in tandem with the current cost of living. However, the respondents believed that if they became co-tenants, then the rental payment may be affordable to them as compared to staying alone. Despite being a renter, most of them were satisfied with their current house. 97.9 percent were pleased with their rental house. Similarly, the renters in Hong Kong also satisfied with the current housing tenure as majority of them were satisfied with their living environment (Chiu, et al., 2018).

Table 5.13: Current Living Arrangement - Renter

Profile	Frequency	Percentage
Monthly rental payment		
Minimum	100	
Maximum	2000	
Mean ± Standard Deviation	545.30 ± 414.34	
Year of rental		
Minimum	1	
Maximum	10	
Mean ± Standard Deviation	2.57 ± 1.57	
Monthly rental payment affordable		
Yes	152	80.9
No	36	19.1
Satisfaction levels toward current house		
Not all satisfied	4	2.1
Slightly satisfied	26	13.8
Moderately satisfied	68	36.2
Very satisfied	50	26.6
Extremely satisfied	40	21.3

(N=188)

As for the respondents who were currently living with their parents or relatives, Table 5.14 below presents data on their current living arrangement. Of all the respondents, 28 percent of them were currently staying with their parents. The respondents highlighted several reasons why they chose to stay with their parents. The main reason was that they

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were the caretakers of their parents / family and due to the care giving responsibility towards their aging parents. This reason reflects the findings of Izuhara (2015) that young people delayed their independent living due to the critical illness of their family members. Next, was due to the distance of their house to the workplace which enabled daily commuting.

Table 5.14: Current living arrangement – Living with Parents/ Relatives

Profile	Frequency	Percentage
Consider moving from parental house		
Yes	73	65.8
No	38	34.2
Reason for not considering moving from the parents'/family house		
Caretakers of the family / parents	15	13.5
Save cost / expenses	5	4.5
Cannot afford either owning or renting a house	8	7.2
More comfortable living with parents	3	2.7
Near the workplace	5	4.5
Family inheritance	2	1.8
Reason for considering moving from the parents' / family house'		
Married	35	31.5
Living independently	22	19.8
Change to a new job	11	9.9
Can rent or buy at an affordable price	3	2.7
Privacy	1	0.9
Have stable job / income	1	0.9
Reason for staying with parents / family[a]		
Near the workplace	44	39.6
Cannot afford owning or renting	36	32.4
Caretakers of the family	60	54.1
Others	2	1.8

Note: [a] it is multiple choice questions.
(N=111)

Also, since they could not afford either owning or renting, this made them continue living with their parents or relatives. Young people prefer to stay with their parents because they have limited economic resources to afford housing (Poggio, 2013). In contrast, a study by Li (2011) reported that young adults in Taiwan continue living with their parents even after they get married due to the Chinese culture which favours the younger children staying with their parents. It has been concluded that most of the

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Taiwanese young people prefer to live with their parents rather than to live independently as their current living arrangement.

Besides the specified reasons, these young people choose to stay with their parents because it can save their cost and expenses. They feel more comfortable staying with their parents/family, especially when the parents' help to look after their children and some of them inherit their parents'/family's house. Also, they prefer to stay with their parents because of the flexibility, such as relying on their mother for household chores (Izuhara, 2015). The present finding supports Li (2014), which concluded that young people in Hong Kong could not afford to own a house in the early stages of their career development because the houses were too expensive for them. As such, many of them preferred living with their parents to save money so that they could spend it on other things (Deng et al., 2016).

In a different study, Sironi, Barban, and Impicciatore (2015) found that the social status of parents influenced the transition to adulthood. The finding found that the transition was slower amongst higher classes as compared to lower classes. This was because young people with lower family resources had lower educational backgrounds, thus pushing them to enter the job market earlier and resulting in an earlier exit from their parents' house and forming a family earlier.

Furthermore, Eslinga, (2017); Deng, Hoekstra and Elsinga (2016) argue that intergenerational cohabiting influences the housing opportunities of young people. Young people who choose to live with their parents even after getting married believe that they should rely on their parents rather than living independently, which they see as one of the desirable housing solutions. Those living with their home-owning parents may achieve

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their future homeownership by inheritance. Among all of those staying in this living arrangement, 65.8 percent of them would have considered moving from their parental house; whereas 34.2 percent of them preferred to continue staying with their parents. The finding indicates that they considered moving from their family home only if they got married, changed to a new job, had more stable income, or were able to rent or buy a house at an affordable price, and also for privacy reasons.

Independent living and entering adulthood happens when young people leave their parental homes for an independent home. Young people normally leave their parental homes and live independently due to various reasons, such as educational reasons, marriage, and employment opportunities (Yip, 2013). A study of young people in Hong Kong ranks marriage as the top motivation for the young generation to leave their parents' home for independent living in which the scenario is consistent with East Asian cultural norms and expectations, where independent living typically corresponds with marriage (Drew, 2015; Izuhara, 2015; Zhu, 2013; Li, 2013). Moreover, young people prefer to leave their parental home due to a desire for privacy, autonomy, and independence as a result of marriage (Bessant & Johnson, 2013; Li, 2013; Zhu, 2013).

Moving from their parental house to their own house, either through renting or owning may facilitate their transition to independent living. Housing is important when young people decide to start their own life and form a family. This is because the act is often associated with living independently. As for the young people in China, they were faced with affordability problems, and accessing housing was difficult for them and resulted in a delay of their marriage and having a family (Zhu, 2013). This is relatively similar to Malaysia where many of young people struggle in the housing market due to the high cost of living and housing prices which affect their independent living (Shuid,

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2015; Tan, 2012). As a result, many were reported to be staying in their parental homes or living in rental houses (Bessant & Johnson, 2013). Therefore, getting access to housing is vital to ensure young adults can enjoy a good quality of life (Forrest &Yip, 2013).

5.5 The Challenges Faced by Young People in Their Pursuit of Adequate Housing- The Homeowners' Perspective

This section discusses in detail the challenges faced by young people in their pursuit of adequate housing, from the perspective of homeowners. The empirical evidence was derived from the feedback gathered by asking the respondents several questions related to the challenges. The challenges have been categorised into several elements, consisting of structural, economic, and social challenges. Table 5.15 provides the descriptive and RII analysis on the challenges faced by the respondents (homeowners) in their pursuit of adequate housing. The RII analysis was performed using the data which weighted the relative index for each indicator. The higher the index of an indicator, the more important was that indicator amongst all of the indicators in the construct (Jarkas & Bitar, 2012). Therefore, the result indicates that the highest value would signify the challenges that were most faced by the young people.

5.5.1 Structural

The structural refers to the organisational aspect which, in this study, consisted of elements such as government practice (i.e., housing policy, legislation, schemes, assistance, subsidies) and housing system (i.e., housing deposit, booking and processing fees, stricter eligibility rules, availability of affordable housing, and access to home financing). In the pursuit of adequate housing, government policies play a dominant role in determining the homeownership (Arundel & Doling, 2017). Meanwhile, Deng et al., (2016) also highlights that the housing policy plays an important role in ensuring that

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young people have access to suitable housing which later helps their transition to adulthood. However, the young people claimed that they were being marginalised in the housing market due to the absence of systematic policies that deal with the housing shortage among them (Li, 2014). It was argued that the lack of government subsidies and housing schemes made their transition to adulthood even harder (Deng et al., 2016).

The researcher asked nine questions of the respondents to examine whether they faced challenges in terms of: 1) lack of suitable housing schemes for the young people, 2) lack of financial assistance, 3) lack of government subsidies/allocations, 4) housing deposit high for the down-payment, 5) high booking fees, 6) high processing fees, 7) strict eligibility rules from financial institutions, 8) shortage of availability of affordable housing, and 9) lack of access to home financing.

The result of the findings shows that most of the respondents agreed that they were faced with all of the structural challenges listed in the survey (Table 5.15). In their pursuit of adequate housing, the respondents (93.8 percent) faced challenges regarding the lack of suitable housing schemes for them. The majority of the respondents also faced difficulties to access housing due to the lack of financial assistance (89.7 percent), lack of government subsidies and allocations (93.8 percent), high housing deposit (98.5 percent), high processing fees (92.8 percent), stricter eligibility rules from financial institutions for the loan financing (97.9 percent), shortage of availability of affordable housing (99 percent), and the lack of access to home financing (89.6 percent).

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Table 5.15: Descriptive and RII Analysis for the Structural Challenges Faced by the Respondents

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
Structural Challenges										
Lack of suitable housing schemes for young people	-	-	4 (4.1)	2 (2.1)	36 (37.1)	40 (41.2)	15 (15.5)	5.62	0.92	80.3
Lack of financial assistance	-	1 (1.0)	7 (7.2)	2 (2.1)	39 (40.2)	36 (37.1)	12 (12.4)	5.42	1.05	77.5
Lack of government subsidies / allocations	-	2 (2.1)	3 (3.1)	1 (1.0)	41 (42.3)	40 (41.2)	10 (10.3)	5.48	0.96	78.4
High housing deposit	-	-	1 (1.0)	-	36 (37.1)	44 (45.4)	16 (16.0)	5.77	0.78	82.3
High booking fees	-	1 (1.0)	5 (5.2)	2 (2.1)	43 (44.3)	36 (37.1)	10 (10.3)	5.42	0.97	77.5
High processing fees	-	3 (3.1)	3 (3.1)	1 (1.0)	45 (46.4)	32 (33.0)	13 (13.4)	5.43	1.05	77.6
Stricter eligibility rules from financial institutions for loan financing	1 (1.0)	-	-	1 (1.0)	33 (34.0)	30 (30.9)	32 (33.0)	5.92	0.99	84.5
Shortage of availability of affordable housing	-	1 (1.0)	-	-	41 (42.3)	35 (36.1)	20 (20.6)	5.74	0.86	82.0
Lack of access to home financing	-	2 (2.1)	3 (3.1)	5 (5.2)	53 (54.6)	26 (26.8)	8 (8.2)	5.26	0.95	75.1

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

Though the respondents agreed that they were faced with all of the challenges listed in the survey related to the structural aspects, based on the highest RII value, three major challenges faced by the respondents were highlighted in the findings (Figure 5.3). Regarding structural challenges, the findings revealed that the young people faced difficulties related to stricter eligibility rules from financial institutions (RII = 84.5%), high housing deposit (82.3%), and the shortage of availability of affordable housing (RII = 82%). These challenges were ranked as the top three challenges facing them due to having the highest values of the RII analysis.

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Figure 5.3: Line Chart of the RII analysis for the Structural Challenges

The respondents argued that they struggled to secure the loan financing, especially when there were stricter eligibility rules from the banking sectors. In their pursuit to live independently, accessing adequate housing, especially on homeownership, seemed difficult for the first-time home buyers due to the strict lending rules from the financial institutions (Arundel & Doling, 2017; Kennett et al., 2013; Belsky, 2013). These challenges were further debated by the researchers on the transitions of the younger people into independent living. Their housing opportunities, in general, and homeownership, in particular, had been in decline due to the non-availability of easy and fair mortgage credit (Lennartz et al., 2016) and difficulty in obtaining mortgage finances (Filandri & Bertolini, 2016).

Thus, countries with an accessible mortgage market provide more housing opportunities, especially in regards to homeownership. Therefore, reducing the relying on government on financial credits and allows the expansion of credit growth give greater opportunities for young people to access homeownership (Arundel & Doling, 2017).

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The finding of this study revealed that the lack of available credit distorted the housing opportunities amongst the young people. Based on the lending criteria imposed by the Central Bank (Bank Negara Malaysia) starting from Jan. 2012, mortgage eligibility will be assessed not only based on the net income and other financial obligations, but the educational loans, such as Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN), are taken into account in allowing the individual to be eligible for the housing loan. The applicants are not authorised to apply for any loan, including housing if there are arrears in their PTPTN payment. The applicants must settle all the arrears before they can apply for the loan.

Moreover, the maximum housing loan period was reduced to 35 years only from the previous period of 45 years (Bank Negara Malaysia, 2015). The above tighter lending guidelines have made it difficult for young people to apply for home financing, in particular among the PTPTN defaulters. Additionally, with the lifestyle of the younger generation who prefer to have branded items, hang out at coffee shops and spend unnecessarily using credit cards, it makes their road to homeownership seem difficult (Asian Institute of Finance, 2015; Nwuba, Kalu & Umeh, 2015; Majid, Said & Daud, 2014).

The challenges relating to stricter lending rules from financial institutions have been further discussed by McKee (2012). He discovered that when the young people were ready to leave their parental home, they faced challenges in accessing mortgage financing. As such, the young people in the UK aged between 16 to 30 years old settled with being renters, in which he portrayed them as the ‘rent generation. In Malaysia, the findings show that there were young people who lived in rented sectors, but, were far from declaring themselves as the ‘rent generation’ because there were others who successfully entered

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into homeownership in spite of various challenges, and some who co-resided with their parents. To respond to the housing needs, particularly amongst the younger generation, various housing initiatives have been promoted by the government and other related agencies. However, if the housing problems faced by the younger generation continuously persist, perhaps, the 'rent generation' may occur.

Baqutayan et al., (2016) added that young people in Malaysia were not only concerned with the price of housing, but they were also confronted with difficulties in obtaining housing loans due to the stringent procedures imposed by financial institutions. In addition to the work in the above studies, Hochstenbach and Boterman (2014), in their studies amongst young people in Amsterdam, found that the housing opportunities of the young people were constrained due to the global financial crisis and strict lending guidelines from financial institutions.

The above results support past studies regarding the challenges faced by young people in Europe. The result of this study discovered that social policy had a significant influence on the housing opportunities of the young people. It was argued that the tenure status of the young adults (either to rent or to own) depended on the policy of the state (Filandri & Bertolini, 2016). The importance of structural factors was debated a long time ago by Esping. His study found that the size and accessibility of housing were largely dependent on the institutional context in which it defined the welfare state (Esping-Andersen, 1990). Beer and Faulkner (2011) further added that entry into the housing market amongst young people became more challenging as they faced the challenges regarding the strict lending criteria, insecurity in the labour market, and the competition for housing from the older generation.

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In China and other East Asian countries, their pro-homeownership policy has caused other segments to suffer from housing problems, including the young civil servants, due to unfriendly institutional arrangements. As there are too many housing schemes facilitating homeownership amongst the people, the policy has failed to provide suitable housing schemes for the younger households (Zhu, 2013; Doling & Ronald, 2010).

Besides that, the respondents also faced challenges related to a shortage of affordable housing in the market. There are many housing developments in this country, but most of the housing developments have been focused towards the high housing properties, thus neglecting the need for affordable housing developments. This can be seen from the evidence showing that the average housing price recorded in Q4 2016 was more than RM500,000 in Selangor and Kuala Lumpur compared to an affordable segment of RM 250,000 to RM450,000 (Khazanah Research Institute, 2015; National Property Information Centre, 2014b).

The issue aligned with Ariffin et al., (2013) in his study which indicates that Malaysians faced difficulties in accessing homeownership due to the lack of affordable housing which led to housing stress. This was due to the escalating housing prices in the market, mismatching between supply and demand, and the lack of quality houses. In another study, Ahmad et al., (2015) further emphasised that among factors influencing generation Y were the housing affordability problems, difficult to pay the deposit, house prices were too high, lack of an affordable houses supply in the market, small size and quality of the houses.

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The shortage of affordable housing was further emphasised in a study conducted by Fun (2012). His findings revealed that young people aged 25-34 years in Hong Kong faced various challenges entering the housing market due to the lack of appropriate and affordable housing stocks as well as insufficient down payments.

Other than the strict eligibility rules from financial institutions and the shortage of affordable housing, the respondents in this study also faced challenges pertaining to the housing deposit. There is a rule in the Malaysian housing system that a 10 to 20 percent housing deposit from the purchase price is required for the down-payment as most of the banks in Malaysia only offer to finance up to a 70 to 90 percent margin of financing for housing (Bank Negara Malaysia (BNM), 2003; BNM, 2013). Due to the ruling guideline, the government has come out with the incentive to help the middle-income group with the down-payment assistance (MoF, 2016; NHD, 2016). For this group, the majority of who were new in the workforce, the 10 percent rule for the housing deposit for the first time home-buyers was considered high, and they found it difficult for them to secure the deposit (MUWHLG, 2013).

Consistent with the results from the survey, the findings from this interview confirmed that these young people faced challenges in terms of providing the housing deposit/down payment. Many of the respondents (young people) during the interview stated that, even if they could afford the monthly loan instalment, they still faced difficulties in providing the housing deposits. However, they stressed that they faced difficulties in saving for the housing deposit because of their limited financial capability. As argued by Hoolachan, et al., (2016), it is impossible for the young people to save for the housing whilst renting because of other financial commitments. The housing crisis amongst the middle-income group in Malaysia has been further documented in a study

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conducted by Hamzah and Adnan (2016). The study revealed that this group of people faced difficulties in paying for the housing deposit and monthly payments for the house purchase. This can be seen from the following comments:

> *"I think to buy a house is so difficult because I need to save for the 10 percent housing deposit calculated from the purchase price. Not only that, I also must pay the legal fees, such as sales and purchase agreement and all that. For young people like me, with the current cost of living, rental payment, transportation costs, and others, there is not enough for me to save for the housing deposit. I also don't know when I can own my dream house"*
>
> (Anas Mikael/17 Dec 2016/4pm)

> *"Talking about housing deposit made me feel sick. There is time when I went to sales office to survey for a house. There is house that I can afford, but when it comes to paying 10 percent for the deposit, oh… it turns me off...at this time, I don't have such an amount to pay for the down-payment, in fact, to pay for booking fees (RM5,000 at that time) also I cannot afford"*
>
> (Christina /10 Dec 2016/10am)

> *"I wish that we don't have to pay for the housing down-payment, I think then, only, many young people can afford to own"*
>
> (Remy/18 Dec 2016/2pm)

> *"At this moment, my income is not enough to save for the housing deposit. It may take a longer time for me to save for it"*
>
> (Myra/18Nov 2016/12pm)

As the findings show, young people in Malaysia have encountered difficulties to provide the down-payment due to the housing guidelines. Yip (2013) in her study amongst people in the younger generation in Hong Kong revealed the same. Young people, who were referred to in the post-eighties generation in Hong Kong, viewed housing as beyond their capability due to affordability matters, strict lending practices, and inadequate housing policies that benefited them. The effect of these structural challenges, hence, distorted their housing aspirations and opportunities. Research studies by Chowdury (2013) in Dhaka and Mc Kee and Hoolachan (2015) in Scotland also discovered that the lack of appropriate and affordable housing stocks alongside the lack

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of access to home financing and limited economic resources distorted the housing opportunities amongst the younger generation.

5.5.2 Economic

Besides the structural challenges, the researcher asked the respondents about the challenges they confronted from economic/affordability aspects. The economics consisted of elements related to financial resources (income, savings, cost of living, high housing price) and financing. In their pursuit to live independently, accessing adequate housing, especially in regard to homeownership seemed difficult for the first-time home buyers due to their economic conditions (Deng, et al., 2016; Kennett, et al., 2013). Besides that, the younger generation was argued not to be able to afford a house due to the insufficient financial resources (Bruce & Kelly, 2013). Based on Esping Anderson' works, Doling (1999a) discussed the rules of access pertaining to housing. He stressed that access to housing, especially in regard to homeownership was shaped by the income and wealth of the individual which denoted the high commodification of housing.

To know the challenges faced by the young people related to the economic aspects, six questions were asked of the respondents as to whether they faced challenges in terms of: 1) high cost of living, 2) no savings to pay for the housing deposits, 3) not eligible for loan financing, 4) high housing price, 5) high cost of living, 6) and insufficient income. Regarding the economic challenges, the findings of this study highlighted that all of the respondents agreed that the insufficient income became their biggest challenge in their search for adequate housing. Not only that, the majority of the respondents (92.8 percent) agreed that they faced challenges regarding the high cost of living, high housing price (95.8 percent), no savings to pay for the housing deposits (82.5 percent), and high monthly loan instalment (84.5 percent). Meanwhile, only half of the respondents agreed

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that there were not eligible for loan financing (53.6 percent), thus limiting their housing opportunities (Table 5.16).

Table 5.16: Descriptive and RII Analysis for the Economic Challenges Faced by the Respondents

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
Economic Challenges										
High cost of living	1 (1.0)	1 (1.0)	4 (4.1)	1 (1.0)	35 (36.1)	42 (43.3)	13 (13.4)	5.54	1.06	79.1
No savings to pay for the housing deposits	-	5 (5.2)	10 (10.3)	2 (2.1)	38 (39.2)	30 (30.9)	12 (12.4)	5.18	1.30	73.9
Not eligible for the loan financing	-	15 (15.5)	26 (26.8)	4 (4.1)	19 (19.6)	22 (22.7)	11 (11.3)	4.41	1.69	63.0
High housing price	-	-	1 (1.0)	3 (3.1)	37 (38.1)	46 (47.4)	10 (10.3)	5.63	0.75	80.4
High monthly loan instalment	-	2 (2.1)	12 (12.4)	1 (1.0)	38 (39.2)	33 (34.0)	11 (11.3)	5.25	1.20	75.0
Insufficient income	-	-	-	-	30 (30.9)	45 (46.4)	22 (22.7)	5.92	0.73	84.5

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

The findings as shown in Figure 5.4 provide evidence that amongst the biggest challenges faced by the young people were insufficient income (RII = 84.5%), high housing price (RII = 80.4%), and the high cost of living (RII = 79.1%). Since the housing price offered in the market was high, the loan financing they made required them to pay high monthly loan instalments. The respondents were faced with this problem because most of them fell under the middle-income group with a salary between RM3, 000 to RM10, 000, and were burdened with other financial commitments.

The current economic condition is unstable especially during these hard times. The cost of living in this country is considered high, especially after the introduction of the Goods and Sales Tax (GST). Their incomes were insufficient to save for the housing deposits and other housing costs, thus hindering their opportunities to adequate housing (Yip, 2013). Although the findings from the survey show that the majority of the respondents saved every month, their monthly financial commitments and living

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expenses made them unable to save more for the housing deposit and other housing expenses. Consequently, the young people were frustrated because their pursuit to live independently was hindered by inadequate economic resources and a high cost of housing (Doling & Ronald, 2014).

Figure 5.4: Line Chart of the RII analysis for the Economic Challenges

Many have argued that affordability is one of the key factors influencing the housing opportunities of the younger generation (Baker, Mason, & Bentley, 2015; Bruce & Kelly, 2013; S. Yang et al., 2015). As the housing system in Malaysia is regarded as liberal in characteristics, access to housing is not determined based on non-financial criteria such as needs. Rather, it reflects the labour market position, whereby, access to housing is determined by the ability to pay (Ronald & Doling, 2010). Since housing is considered as a commodity rather than social welfare, thus, consumption reflects the market power of the individuals (Grange & Pretorius, 2005; Doling, 1999b;). The ability of the individual to have a home is stable employment, stable income, and reasonable housing price (Arundel & Doling, 2017; Reed & Ume, 2016; Moreno, 2012).

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There is a high loan rejection from banking institutions for mortgage financing due to insufficient income and poor credit amongst the younger generation. This issue was further highlighted by REHDA President, Datuk Seri FD Iskandar during the media briefing on September 11, 2015, saying that amongst the biggest problems of loan rejection was due to the ineligibility of the buyers' income and a poor credit history from CCRIS/CTOS (showing the arrears of loans) The highest loan rejection was reported for the property price ranging from RM250, 001 to RM500, 000 and RM700, 000 to RM1 million (REHDA, 2015). The situation has been currently debated amongst the developers as the numbers of unsold properties are high due to loan rejections from banks resulting from affordability matters.

A report on young people and housing in the UK revealed that young people failed in the housing market due to economic disadvantages. As most of the young people had just started their careers and lived independently, they were often faced with economic uncertainties since they had no financial support from their parents or relatives. At this stage, the salary and benefits were low, and the unemployment rate was high. Besides that, it was argued that there was a disparity between income and the current cost of living (Rugg, 2010; Chen, 2011). As one can see, the cost of living in Malaysia is progressively high, but the income rise remains slow. Thus, with their monthly commitment and other expenses, they have found it difficult to afford the monthly instalments.

Similar to Malaysia, young people in Scotland faced difficulties in their pursuit of adequate housing due to affordability, unstable employment, and insecure housing (Hoolachan et al., 2016). In addition to the work in the above studies, Hochstenbach and Boterman (2014), in their studies, found that the young people in Amsterdam could not

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afford housing because of their limited economic resources. Even to rent apartments, they faced challenges due to expensive rental apartments.

Meanwhile, in Malaysia, with the current cost of living and other financial commitments, young people in Malaysia who owned their house claimed that the monthly loan instalment was high for them. On the contrary, a study was undertaken by Chepsiror (2011) with a low-income group of people in Kenya. It highlighted other challenges faced by the young people in accessing housing; these were the rising cost of land, high rental payments, complex land acquisition process, and low-income resulting from unemployment and underemployment.

In contrast, a study among low-income minorities in the United States (US) found that both homeowners and renters faced challenges in terms of poor quality housing. It can be seen from nearly 50 percent of the low-income households living in inadequate housing yet paying more than 30 percent of their incomes for housing (Lee et al., 2012). This had led to housing stress among them as they were coping with the high cost of living. Another study among the young people in European countries suggests that the declination of youth housing opportunities mainly in homeownership was associated with hostile labour market conditions, as well as the unstable housing market. Meanwhile, a study conducted by Mínguez (2016) argues that besides factors such as economic conditions, social welfare policy and socio-demographics, housing opportunities of the young people are hindered due to economic crisis such as decline in rental price and mortgage default. Consequently, it led to increasing difficulties for younger people to live independently (Lennartz et al., 2016).

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The difficulties in terms of the economic aspects were further emphasised in a study conducted by Fun (2012). His findings revealed that young people aged 25-34 years in Hong Kong faced various challenges entering the housing market due to insufficient income for the down payments. Young people with limited economic resources and poor credit were often being excluded from accessing the property market. Thus, hindering their housing opportunities and their transition to living independently.

The above result of the survey is in line with findings from the interviews with the young people. The respondents kept on mentioning insufficient income that hindered their housing opportunities. As most of the young people had just started their careers and lived independently, they were often faced with economic uncertainties since the salary and benefits were lower (Rugg, 2010). Not only that, but the younger generation was also confronted with housing affordability problems associated with low-income, the difficulty to pay for the housing deposit and to secure the financing (Ahmad et al., 2015). With an inadequate income, the high cost of living, and other financial liabilities, it becomes a challenge for them to put a certain portion of their earnings aside for housing deposits or any fees related to housing. Many Malaysian households have limited savings due to their low income and other financial commitments, thus limiting their housing opportunities (KRI, 2014). All the respondents cited that insufficient income was the challenge they faced in their pursuit of adequate housing.

> *"At this moment, my current income is insufficient to own, but I can rent. However, to rent also, the rental is so expensive, especially in my area, Shah Alam. Based on my current situations, I think I am just able to rent because I have my family and lots of commitments and financial constraints that do not allow us to buy a house yet"*
>
> (Myra/18 Nov 2016/12pm)

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"One of the challenges that I have faced in owning a home is insufficient income. I have my savings every month, but the savings are for other emergency matters. It is not enough for the housing down-payment. Other thing that keep me thinking is whether I can afford the monthly loan instalment. I may have success in getting a housing loan, but I might end up spending more on the housing instalment at the expense of other commitments"

(Christina /10 Dec 2016/10am)

"We cannot control the housing price because no matter what, the price is already set. So, to say that it is a challenge, for me, it is not. But my problem is financial capability. Being young, new to the workplace, salary is not high, a lot of commitments, just started my life, with all this, my income is insufficient to own a house. Either rental or buying, if I have no money, then buying is not worth it because it is long term commitment. I have to think about that also"

(Tan/9 Oct 2016/4.30pm)

"My main concern is regarding my financial ability. As what I can say at this point of time, I have financial difficulties if I choose to own a house. Because I must balance my income and monthly loan instalment as it involves a long-term commitment. I have too many things on my plate right now, thus, I could not afford to own a house with such prices offered in the housing market. So, I can say my biggest challenge is regarding my financial ability"

(Seri/15 Oct 2016/10am)

"For me, as young people and especially to those young people working in urban areas, we have to be smart in our spending. If we cannot manage our finance, so it makes us difficult to save money to buy a house. For young people staying in the major towns/city centres, we tend to spend more on entertainment, food hunting at lavish places, hangout at the coffee hipster places. That's what makes us find it difficult to get a house because we cannot manage our own finance. I think that everybody including me can afford to own one if we manage our finance wisely"

(Anas Mikael/17 Dec 2016/4pm)

"In reality, for the first and second year of working, I still do not have the opportunity to own a house due to other commitments such as personal expenses, car loan, and study loan. Thus, this becomes the challenge for me, and for others in the young generation also, to have a home within this first few years"

(Remy/18Dec 2016/2pm)

Besides income, the respondents claimed that they faced difficulties in owning a house because the housing prices in Malaysia were too high. As opposed to Ireland, the UK, the US and our neighbours, Thailand and Singapore, Malaysia has been reported as one of the countries with high housing prices (Khazanah Research Institute, 2014). In 2015, the average housing price was RM710, 089 in Kuala Lumpur and RM467, 995 in

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Selangor. In the Quarter 3 (Q3) 2016, Kuala Lumpur continued to record the highest average housing price (RM772, 126) and secondly, was Selangor (RM515, 277), which significantly had increased from the previous year (National Property Information Centre, 2016).

The housing prices offered in the Malaysian real estate market have been rated as unaffordable, especially in the main towns. For instance, Kuala Lumpur and Pulau Pinang were listed as 'severely unaffordable' housing markets followed by Johor (severely unaffordable), and Selangor (moderately unaffordable) (KRI, 2015). This was proven by a study conducted by Zyed et al., (2014) among young working households in Malaysia. The results disclosed that young working adults in this country were faced with housing challenges related to high housing prices, especially in the urban areas which led to limited housing opportunities for the younger generation.

A similar situation was found in Hong Kong, whereby research was undertaken by Campos, Yiu, Shen, Liao and Maing (2016b) which discovered that the housing situation in Hong Kong was regarded as unstable and high in housing prices. Housing in Hong Kong for the last five years has been considered 'severely unaffordable', thus making the homeownership unattainable by the young people. As a result, many of the people, especially the younger generation, where the majority of them fell under the middle-income category (M40), could not afford to own due to the unaffordable housing market.

Similar to Taiwan, the housing prices in Malaysia are skyrocketing, and there is no control of the housing price system in Malaysia. Even worse, the monthly income of the young people is not in tandem with the price of houses offered in the private housing

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market (Chen, 2011; Atasya et al., 2015). The situation has led to the incapability of young people to possess a home either through homeownership or renting. For first-time home buyers, the high housing prices have made it difficult for them to own a house, especially in urban areas like the Klang Valley (Tan, 2012). Although some of young people have stable jobs and income, the continuous increase in housing prices has made it hard to own a house. Nonetheless, to some people, they prefer to buy earlier as they believe that the price will keep on increasing if they continue to wait, and this will enhance their financial burden.

According to Reed and Ume (2016) in their study among young Americans, two important factors that determined the ability of an individual to have a home were reasonable housing price and stable employment. In Malaysia, although young people have stable jobs and income, the increasing price of housing from year to year has made it difficult for them to buy a house. Nonetheless, some of them prefer to purchase the house before the price increases even though it will increase their financial commitments. In China and other East Asian countries, their pro-homeownership policy has caused other segments to suffer from housing problems, including the young civil servants, due to the high price of housing in the market (Zhu, 2013; Doling & Ronald, 2010).

Findings from in-depth interviews confirmed that the high price of housing in the private real estate market has made it difficult for them to have a home. These young people (5 out of 6 respondents) claimed that they faced challenges about the high price of housing. They have perceived that the housing prices available in the Malaysian housing market nowadays is considered as unaffordable and expensive especially in the major towns. Those interviewed explained that:

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"Houses nowadays are expensive and the developer seems to not want to reduce the price of the house so that they can make profit out of it. For young people like me who have just started working and the salary is not high, plus needing to bear all the expenses, such as need to pay house rent, educational loan, and transportation costs, it is a challenge for me to save the money to buy a house due to the ridiculous housing price"

(Anas Mikael/17 Dec 2016/4pm)

"For me, young people in Malaysia cannot afford a house because housing price is not parallel with the average of our salary. I have read somewhere that on average, the housing price increases to 5-15 percent every year while our salary does not increase even to 5 percent every year. So, what I can say is the housing price increase more than our salary. For me, the housing price does not make sense (tak masuk akal). That is the challenge that we face either to own or even to rent"

(Remy/18 Dec 2016/2pm)

"In my opinion, one of the big issues facing young people including myself is regarding housing price…because the price imposed by the developer is too high and this makes us unable to buy a house. The housing price is one of the big constraints for the young. Even if you want to buy a single-storey house, it is also expensive. That is why for the time being, I have decided to rent because I could not afford to buy"

(Myra/18 Nov 2016/12pm)

"I don't understand why the housing price is so expensive. It looks like I cannot afford any of the houses in the market. There are many housing projects. But when I look at the price, I feel frustrated. Mmmm...actually, there are houses that I can afford, but you see…it is located at remote area, far from my office"

(Christina /10 Dec 2016/10am)

"The main challenge is regarding the housing price. The price is so ridiculous especially in the city centres. But in other places like Cyberjaya, the housing price is even more expensive than KL. In Cyberjaya, the average monthly rental is around RM1000 to RM1500 for one unit of condominium. So, imagine the price"

(Tan /Oct 2016/4.30pm)

The above findings revealed that the housing price has become their main challenges in their pursuit of adequate housing. These people cited that they faced hardships to own a house due to the unaffordable price, especially in major towns in the Klang Valley. Young people, the majority of them being first-time home buyers, faced difficulties to own a high priced home due to their limited financial capability and economic uncertainties (Lee et al., 2012; Tan, 2012). Research conducted by KRI (2015) reported that in 2014, there were no properties launched below RM250,000 as the

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majority of the houses were launched at RM500,000 to 1million which is beyond the young people's affordability level.

5.5.3 Social

Apart from the challenges faced by the young people related to structural and economic aspects, the findings also highlighted the challenges faced by the respondents regarding the social aspect. The social components consisted of elements such as age, gender, ethnic differences, locational aspects, and housing knowledge. In European countries, young people often faced difficulties to access housing due to their social status. People with high social class had more housing opportunities than lower-class people due to their financial conditions and their status in society (Yang et al., 2015).

Besides that, there was an unequal access to housing among young people due to factors such as demographics, political affiliation, and territorial affiliation which have resulted in social inequality (Deng et al., 2016). Meanwhile, a study among Generation Y in Australia emphasised the location of the house as an important element of housing. The majority of the Australian younger generation desire houses that are located near their workplace and equipped with facilities. They also believed that people make judgements based on the location of their home (Bruce & Kelly, 2013).

Under this social aspect, the researcher asked the respondents whether they faced challenges regarding their age, gender, ethnicity, location of the house, and housing knowledge, and whether they faced discrimination in the housing market. Table 5.17 presents the opinions of the respondents regarding the challenges they faced from the social aspect. From the findings, a majority of the interviewees stated that they did not face difficulties regarding age, gender or ethnicity in their pursuit of adequate housing. It

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was due to the Malaysian culture of not discriminating against people based on their skin colour, ethnic background, age or even gender in giving access to adequate housing which corresponds with the UN declaration on rights to adequate shelter (UNHC, 2009). However, the respondents agreed that the location of the house, lack of understanding of the home buying process, and discrimination in the housing market were challenges they faced in their pursuit of adequate housing.

Table 5.17: Descriptive and the RII Analysis for the Social Challenges Faced by the Respondents

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
Social Challenges										
Does not meet the age requirements	2 (2.1)	39 (40.2)	25 (25.8)	9 (9.3)	7 (7.2)	10 (10.3)	5 (5.2)	3.31	1.60	47.3
Gender differences	5 (5.2)	43 (44.3)	22 (22.7)	5 (5.2)	7 (7.2)	15 (15.5)	-	3.11	1.55	44.5
Ethnic differences	1 (1.0)	33 (34.0)	17 (17.5)	3 (3.1)	12 (12.4)	20 (20.6)	11 (11.3)	3.99	1.91	57.0
Location of the house is undesirable	2 (2.1)	20 (20.6)	17 (17.5)	3 (3.1)	23 (23.7)	24 (24.7)	8 (8.2)	4.33	1.75	61.9
Location of the house is far from the workplace	-	6 (6.2)	19 (19.6)	1 (1.0)	31 (32.0)	30 (30.9)	10 (10.3)	4.93	1.45	70.4
Lack of understanding on the home buying process	-	3 (3.1)	17 (17.5)	3 (3.1)	32 (33.0)	33 (34.0)	9 (9.3)	5.05	1.32	72.2
Discrimination in the housing market	-	6 (6.2)	16 (16.5)	5 (5.2)	23 (23.7)	31 (32.0)	16 (16.5)	5.08	1.51	72.6

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

Meanwhile, Figure 5.5 presents the findings on the three major challenges faced by the respondents in their pursuit of adequate housing. The findings show that the respondents were faced with discrimination in the housing market (RII= 72.6). Besides that, they argued that due to a lack of understanding on the home buying process (RII= 72.2%), their housing opportunities were limited. Next, the location of the house that was far from the workplace (RII = 70.4%) was the main challenge faced by the respondents in their pursuit of adequate housing.

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Figure 5.5: Line Chart of RII analysis for the Social Challenges

The younger generation often faced discrimination in the housing market. Many housing developments were targeted at either lower-income or high-income groups, thus making their pursuit to adequate housing difficult (Agus et al., 2002; Baqutaya et al., 2016; MUWHLG, 2013; Yong, Kun Hing & Kuppusamy, 2013; Zyed et al., 2014). Even if there were various attractive housing initiatives offered, they were limited to certain categories which excluded the young people from enjoying the benefits as they did not fit into the requirements. Young people, of which a majority of them were the middle-income group, were neither eligible for the public housing nor could they afford the private real estate market (KRI, 2015; Cagamas, 2013).

Furthermore, young people who were just entering the workplace and housing market usually faced a lack of housing knowledge related to mortgage financing, real estate market, and any matters related to housing. Many of them did not become aware of the housing schemes available for them. Even if there was available information about the housing programmes or schemes offered, little was known about them, and some preferred not to digest the information given. Hence, these people sometimes made a mistake when searching for housing options which could satisfy their housing needs. A

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study among young people in Amsterdam found the same. The young people's inability to access housing was due to a lack of knowledge of the local housing market. This issue had rampantly happened amongst young people who were coming outside the Amsterdam region (Hochstenbach & Boterman, 2014).

The present findings support Rugg (2010) in her study among the young people in the UK. The findings concluded that the young people failed in the housing market due to discrimination and a lack of housing knowledge. Due to the nature of the younger households, the housing market often discriminated against them regarding giving them the opportunities to adequate housing as they were assumed as inexperienced and incapable. Hence, this group of people was assumed to be not serious towards their mortgage payments and were faced with several behavioural issues.

Discrimination against younger households reduces their housing options and means that they are likely to accept more marginal and riskier housing arrangements. The study found that advice and information about a home-buying process, legal aspects, and financial matters are much needed. An individual leaving the parental home for the first time will need basic advice and information on their housing options, on how to settle essential financial transactions, and on complex legalities defining their rights and responsibilities. This situation shows the need of the experts, especially the family members, to provide feedback and opinions in regards to this matter (Rugg, 2010).

The finding of the present study also agrees with the study led by Rugg and Quilgars (2015) which postulates that young people's inability to operate in the housing market is often due to the characteristics of the youth; that is first, economic disadvantage;

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second, inexperience; and third, discrimination which, in turn, hinders their housing opportunities.

The interview analysis confirmed the findings of the survey indicating that young people viewed the lack of knowledge regarding the housing policy and schemes as problems to them because many of them were not aware of the existence of housing schemes or programmes available in the market that may benefit them. They were also not aware regarding the existence of the housing policy. Even if they did know, they did not understand the contents of the policy as they argued that it was not clearly presented.

Despite the government's approach in assisting people to own a house through the introduction of many housing schemes, such as PRIMA (Perumahan Rakyat 1Malaysia), People's Housing Programme, Homeownership Programme, My First House Scheme, Youth Housing Scheme, and Rent-to-Own Scheme, there are still numbers of people who are not aware of these schemes and some of them do not even understand the benefits they can gain from such schemes. As argued by Atiles and Bohon (2013) and Visser (2013), people are normally confronted with housing deficits, such as insufficient income, lack of affordable housing, and also the lack of knowledge of the housing programmes or subsidies available to them. This is consistent with the studies undertaken by Li (2015) and Teixeira (2014), who claimed that the lack of housing information and housing programmes limited the opportunities to adequate housing. This can be seen from the interviewees who made the following interpretations:

> *"Broadly stated, I don't really know the policy. It is not stated everywhere. I don't know what the policy is all about and I haven't gone through the website of the ministry that handles this policy. I don't know in what sense the policy will help me and other younger generation to own a house. But I have heard a lot about PR1MA, My House…. only that"*
>
> (Tan/9 Oct 2016/4.30pm)

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"Seriously, I am not aware about those existing housing schemes. I think that's what made me feel difficult to own. Even to rent also I don't know whether there is any existing policy or scheme for rental"

(Christina /10 Dec 2016/10am)

"I think only recently housing issues facing young people have begun to get attention from the government and this has translated into their election agenda to win the heart of the youth. If you look at the recent election, focus was given more towards young people, especially on housing. So, I know that, but if people ask me what are the available schemes, to tell the truth, I really don't know"

(Seri/15 Oct 2016/10am)

"Mmmm…(laughed), frankly speaking, as a Malaysian citizen, I'm not aware regarding the housing policy or housing schemes. As the one who needs a place to call a home, I really don't know what kind of housing policy the government has proposed. Does the policy really exist or does it only on paper or does the policy keep on changing every year? I'm not sure"

(Myra/18 Nov 2016/12pm)

"I'm not fully aware regarding the existing housing policy, but in terms of housing schemes / programmes provided by the government to ease the housing problems of the younger generation, that one I know. For example, PR1MA, and in KL, we have Rumah dibawah Wilayah Persekutuan (RUMAW1P). I only know on the surface, but if I want to own, of course I need to know more"

(Anas Mikael/17 Dec 2016/4pm)

"For me, there are housing schemes for the younger generation, but the only problem is that there is no exposure of those existing schemes / housing programmes. That is why there are some people who have been cheated by these illegal house brokers. We have limited information regarding the housing matters. The information may be available, but it is not comprehensive"

(Remy/18 Dec 2016/2pm)

The analysis shows that some of the respondents were aware of the existing policy on housing and other housing initiatives taken by the government. The government has made the initiative to disseminate the information about housing through the websites of the relevant ministries. However, the initiatives have failed to widely expose this to the intended group. This has given the younger generation the perception that the practice is lacking and incomprehensive. Even though the guidelines have been provided by the government, still, there is a lack of publicity. Some of them were only aware about certain housing schemes available for them, such as PR1MA, My Housing Scheme, and States' housing schemes.

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The researcher further probed their awareness regarding other housing schemes available in Malaysia; but, the majority of them failed to provide the information. Thus, one could say that the awareness that they had pertaining to the existing schemes was too limited which hindered their housing aspirations. Besides that, there is a lack of communication between government, other related agencies, as well as developers with the young people concerning housing. As we well know, the housing procedures are complicated, thus information regarding them must be well-written and exposed to the younger generation.

The housing policy programmes must be integrated with the people so that it may increase their housing knowledge (Yang et al., 2013). This is to facilitate their housing opportunities and at the same time help them achieve their independent living. There have been initiatives taken by the Malaysian government for housing through various programmes and schemes with the main focus given towards homeownership. Nevertheless, there has been a lack of publicity and promotional activities on these initiatives, thus causing ignorance amongst the younger generation. A few of the respondents emphasised that publicity regarding the housing initiatives (housing programmes/housing schemes) is needed to improve their housing knowledge. Below are the commentaries:

> *"I am only aware regarding PR1MA, but I don't know details about it because it has not been widely informed of and there has been less publicity"*
> (Tan/9 Oct 2016/4.30pm)

> *"When any policy exists or housing schemes are available, information must be publicised and the public be notified, and the implications are towards those who have no housing opportunities (yet to own) or even to those who already own it must be well communicated"*
> (Seri/15 Oct 2016/10am)

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"So far, I just realised about PR1MA and Rumah Selangorku. I don't know about other existing schemes due to a lack of promotion and information from the service provider to the target group, especially young people"

(Myra/18 Nov 2016/12pm)

"Is there any existing housing schemes that can benefit me? Mm…I'm not sure whether there is enough promotion or publicity on the housing programmes or I'm the one who ignored it"

(Christina/10 Dec 2016/10am)

"I think the information on housing and any matters related to it has been made available over the internet, but less effort from us has been made to find and know about the housing policy, schemes or housing programmes and other housing matters. That is why we are sometimes cheated with misleading information from property agents or developers. For me, information is there but the problem is how we really dig for that information"

(Anas Mikael/17 Dec 2016/4pm)

"There is not enough exposure and publicity on those housing schemes for the young. Nowadays are the social media days. So, make use of it"

(Remy/18 Dec 2016/2pm)

The location of the house that is far from the workplace and not accessible by public transport has become one of the challenges facing the respondents. Due to the high price of housing, especially in the city centres where access to facilities is easily available, young people who cannot afford to live in the towns choose a house at the outskirt areas. As a result, they have to commute daily to their workplace, which requires longer travelling time and expenses. As we can see, business activities in Malaysia are concentrated at one area, the town area, and office buildings are located in the city centres. Everybody is concentrated in one area from 9 to 5 pm, and it creates congestion and an unpleasant situation during that time. However, due to our urban development, we have no choice but to accept such a moulded situation and this creates stress and affects the quality of life.

The situation reflects the finding of Zyed et al., (2014) in their study among younger working households (YWH) in Malaysia. The results of this study revealed that YWH faced difficulties to find affordable housing due to the shortage of affordable

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housing in urban areas. Most of the affordable houses were located outside the urban areas where access to their working place was relatively far. They claimed that undesirable and inconvenient location made the situation even worse for the young people in their pursuit of adequate housing. As such, they preferred houses near their working place as it saved their travelling time and transportation cost; and, at the same time, they wanted to be near malls and other facilities like public transportation (Yip, 2013).

The locational issue was further highlighted by the respondents during the interviews that links with the findings from the survey. A majority of the interviewees viewed location as another challenge faced by them in their pursuit of adequate housing. The location of the house is one of the important aspects when people decide to settle themselves. The importance of accessibility and neighbourhood environment play a role in the decision to own (Tan, 2012). As much of the current housing development is concentrated in urban areas, the trend now is shifted towards building housing at remote or outskirt areas. This is due to the cost of the land which is more affordable compared to city centres.

However, the problem arises associated with the location that is undesirable or far from the city where the business activities are concentrated. The importance of accessibility to location becomes one of the indicators of a successful housing programme as emphasised by Yang et al., (2013). The study indicates that success is not only projected by the number of affordable houses supplied, but also tested by the extent to which the programmes meet household needs concerning both affordability and accessibility. The respondents argued that:

> *"I prefer a house that is located near the basic facilities where it is easily accessible by me. For me, I rent a house based on the location and facilities. Near clinics, nursery, schools, malls. But of course, the rental payment is quite expensive because the location itself plays a vital role for the owner to set the rental payment. For example, for my house, just because it is located*

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at a prime area, the rental is quite expensive. I have to pay RM1200 per month but we have no choice"

(Myra/18 Nov 2016/12pm)

"What I can say location plays a big role. I think all people not only young people want to settle down at a place where all the facilities are easily accessible. But the issue right now is that the affordable houses are located far from the workplace. You see, there are affordable houses but the location is in Semenyih. I don't know about the quality, but in terms of location, it is too far. You need to spend more than what you expected for the travel costs. In the end, you will feel stress. I don't want that thing to happen in my life"

(Remy/18 Dec 2016/2pm)

"I live somewhere in the Klang Valley, quite near to my workplace. And if I want to buy a house, I prefer close to my working place or at least within 15 to 20 km from the office. Not to say that it should be next to my office, but location wise is acceptable la... But, the challenge is to find a suitable and, most importantly, affordable house around that area. To get an affordable house at the business district is so difficult. For me, location does matter. Houses that available are far from the town area"

(Anas Mikael/17 Dec 2016/4pm)

Nonetheless, the view of other respondents slightly contradicted with the above discussion. Although they agreed that location plays a vital role in assisting young people to transition to live independently, yet, they believed that the meaning of location differs between people. Some people were not concerned about the site of their house because they did not mind travelling to their workplace if that was the only choice they had. Since the house they could afford at that time was located far from their place of work, thus, settling at that location was the best option (Hamzah & Adnan, 2016). At the end of the day, the concern should be emphasised more on other important factors. Back to basics, everybody needs to have a shelter, and whether the house is far or near his or her workplace or city-centres, if it is easily accessible to facilities, thus, everybody will enjoy the housing opportunities. Those interviewed made the following remarks:

In my opinion, a strategic location must be based on a few factors, such as near to the workplace, schools, hospitals, mosques, accessible to facilities, and less travelling costs. So, we should ask ourselves, what we actually want. For me, if all these factors are made available, that is adequate. To rent or buy, if it has all the facilities, then I don't mind if it is quite far"

(Seri/15 Oct 2016/10am)

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> *"It is true if I want a house, I want it to be near my office. But if I need a house and the only house that I can afford is far from my working place, then location will fall second. I mean, I would rather buy a house that I can afford (of course accessible to facilities) though I have to travel instead of sacrificing my income to pay for a house which I could not afford just because it is near to my office"*
>
> (Tan/9 Oct 2016/4.30pm)

5.6 The Challenges Faced by Young People in Their Pursuit of Adequate Housing - The Renter's Perspective

This section discusses in detail the challenges faced by the young people in their pursuit of adequate housing from the perspective of the renters. This is achieved by asking the respondents several questions related to the challenges they faced as a renter. Table 5.18 provides the descriptive and RII analysis on the challenges faced by the respondents (renters) in their pursuit of adequate housing. In many developed countries like the UK, the US, Australia, and Spain, there are significant declines in homeownership and growing numbers of young people remain in the private rented sector (PRS) due to the difficulties in access adequate housing (Mackie, 2016; Mínguez, 2016; Reed & Ume, 2016; McKee & Hoolachan, 2015; Bessant & Johnson, 2013; Bruce & Kelly, 2013).

Reasons such as unstable PRS, insecure housing tenure, and discrimination amongst the tenants were highlighted to be the challenges faced by the renters in this housing tenure (Deng et al., 2016; Hoolachan et al., 2016). The situation is no exception in developing countries like East Asian countries where housing opportunities amongst the younger generation are limited (Deng et al., 2016; Shuid, 2015; Ha, 2013). There were various reasons found for the declination of their housing opportunities. This was due to the high price of housing, unfavourable institutional arrangements, and the affordability factors (Mínguez, 2016; Tan, 2012; Chen, 2011).

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In Malaysia specifically, the younger generation faced difficulties accessing adequate housing mainly due to the high price of housing in the housing market, tight lending guidelines, and the high cost of living (Baqutaya et al., 2016; Zyed et al.,2014; Shuid, 2015). Even more, shifting to other housing options like rentals was also not easy because there has been no comprehensive regulation made concerning this tenure.

To further understand the challenges faced by young people who are currently living in the rental accommodations, ten questions were asked of the respondents examining the: 1) lack of suitable housing schemes for the young people, 2) lack of access to affordable rental schemes, 3) difficulty to get the money for the rental deposits, 4) unaffordable monthly rental payment, 5) high deposits for the rental, 6) increase in yearly rental payment, 7) legal protection for the tenants, 8) the condition of their rental house, 9) the location of the house, and 10) the knowledge regarding the rental procedures.

As shown in Table 5.18, the majority of the respondents agreed that they faced challenges in terms of the lack of suitable housing schemes for young people (93.1 percent), lack of access to affordable rental schemes (93.2 percent), no legal protection for the tenants (88.3 percent), high deposit for the rental (84.6 percent), increase of rental payments every year (78.8 percent), difficulty to get the money for the rental deposit (81.9 percent), poor conditions of the rental houses (63.3 percent), and lack of knowledge regarding the rental procedures (80.9 percent). However, regarding the unaffordable monthly rental payment, 57 percent of the respondents disagreed with this challenge. When asked whether the location of the house was undesirable or not, 54.8 percent of the interviewees agreed with this statement while the remaining disagreed.

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Table 5.18: Descriptive Analysis and RII Analysis for the Challenges Faced by Renters

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
Lack of suitable housing schemes for young people	-	4 (2.1)	8 (4.3)	1 (0.5)	69 (36.7)	65 (34.6)	41 (21.8)	5.63	1.09	80.4
Lack of access to affordable rental schemes	1 (0.5)	3 (1.6)	7 (3.7)	2 (1.1)	65 (34.6)	80 (42.6)	30 (16.0)	5.59	1.05	79.9
No legal protection for the tenants	2 (1.1)	4 (2.1)	9 (4.8)	7 (3.7)	70 (37.2)	72 (38.3)	24 (12.8)	5.40	1.15	77.1
Unaffordable monthly rental payment	15 (8.0)	62 (33.0)	30 (16.0)	4 (2.1)	27 (14.4)	38 (20.2)	12 (6.4)	3.68	1.91	52.6
High deposits for the rental	2 (1.1)	9 (4.8)	14 (7.4)	4 (2.1)	61 (32.4)	65 (34.6)	33 (17.6)	5.34	1.37	76.3
Increased of rental payments every year	5 (2.7)	11 (5.9)	21 (11.2)	3 (1.6)	55 (29.3)	66 (35.1)	27 (14.4)	5.12	1.53	73.1
Difficult to get the money for the rental deposit	1 (0.5)	14 (7.4)	18 (9.6)	1 (0.5)	60 (31.9)	65 (34.6)	29 (15.4)	5.21	1.44	74.5
Poor conditions of the rental house	4 (2.1)	21 (11.2)	32 (17.0)	12 (17.0)	48 (25.5)	49 (26.1)	22 (11.7)	4.67	1.65	66.7
Location of the house is undesirable	7 (3.7)	26 (15.4)	40 (21.3)	9 (4.8)	49 (26.1)	36 (19.1)	18 (9.6)	4.30	1.73	61.4
Lack of knowledge regarding the rental procedures	3 (1.6)	10 (5.3)	18 (9.6)	5 (2.7)	77 (41.0)	53 (28.2)	22 (11.7)	5.07	1.38	72.5

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

In examining the greatest challenges faced by the renters in their pursuit of adequate housing, the findings as shown in Figure 5.6 revealed that the highest challenges faced by the renters in their current housing situation was related to the lack of suitable housing schemes available for youths (RII = 80.4%), followed by the lack of access to affordable rental schemes (RII = 79.9%), and no legal protection for the tenants (RII = 77.1%). The respondents who established themselves as a renter were not given housing opportunities due to the limited and unsuitable housing schemes. Many of the available housing projects are designed for the benefits of the low-income people with focus being given towards homeownership.

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Figure 5.6: Line Chart of the RII Analysis of the Challenges Faced by Renters

The respondents (young people) were ineligible for public housing as they exceeded the requirements, and, at the same time, they could not afford a house in the open market due to their limited financial resources. Thus, those who could not fit into this category suffered from being able to exercise their rights to adequate housing. As an alternative, they chose the rental tenure, which also was considered as unstable housing tenure in Malaysia due to the absence of specific regulations on rental (Chiu et al., 2018).

Besides, the lack of access to affordable rental schemes has made their pursuit to adequate housing seem difficult which indirectly affected their independent living. Moreover, there is no control mechanism from the relevant parties relating to the rental payment which makes the landlords simply impose a leasing deposit that is unreasonable, and they can simply increase the rental payment. In fact, there is no legal protection for the tenants as there are no regulations for the rental housing. Not only that, the young people interviewed were trapped in their housing problems due to no government

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intervention in regards to renting control and security of tenure. Therefore, they believed that the housing policy failed to address their needs for independent living (Yip, 2013).

To further understand the challenges faced by the young people in their pursuit of adequate housing, the researcher investigates the challenges faced by them in their current living arrangement. All of the key-informants were young people who were currently renting their house. The findings from the in-depth interviews presented three main challenges facing them relating to this housing tenure, including tenure insecurity, high rental payment, and poor quality of rental housing.

(i) Tenure insecurity

The issue of tenure insecurity had been highlighted during the interviews with the young people. They claimed that the tenancy agreement between the tenant and landlords was not comprehensive. Most of the respondents did not have a proper agreement with their landlords. They viewed that, no formal tenancy agreement was one of the challenges they faced because the landlord could simply increase their rental payment or require them to leave the house at any time before their approval due to the absence of such an agreement. Since there is no specific regulation on rentals, any tenancy agreement made earlier between them often sides with the landlords.

The current practice enables landlords to terminate the agreement with short notice and simply ask the tenants to move out from the rental house if the landlord wants to sell the house or if the tenants asks for repairs. More often, the agreement made is only a short tenancy agreement which gives the opportunity for the landlords to increase the rental payment upon expiration of such contracts. Hence, if the tenants would like to continue the tenancy, the landlords normally increase the rental which is beyond the

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affordability of the renters. This is aligned with Hoolachan et al., (2016) argument that young people in the UK were also experiencing the same issues of expensive rent and short tenancy agreements living in the PRS, which enabled the landlord to terminate the agreement at the end of the period. Meanwhile in Hong Kong, the removal of security of tenure and minimal government intervention approach in the private rental housing has contributed to the housing insecurity in the rental sector (Chiu et al., 2018).

This is also connected to Roween's (2014) study which indicates this being amongst the challenges faced by the middle-income earners in the Philippines regarding the homeownership and security of tenure. This happened due to the limited access to the housing schemes offered by the government and their financial inability which was associated with the low-income. Several participants expressed the challenges they faced regarding the tenancy agreement:

> *"No tenancy agreement is actually a challenge to me. The owner can simply increase rental or do unnecessary things"*
>
> (Anas Mikael/17 Dec 2016/4pm)

> *"I feel insecure living in that house due to no legal protection for owners and renters. I think I want to raise this matter soon and get an agreement made"*
>
> (Tan/9 Oct 2016/4.30pm)

> *"I do have an agreement with the owner but, it seems like it sides with one party only. I think I want to propose a new agreement that benefits both"*
>
> (Myra/18 Nov 2016/12pm)

Moreover, the respondents also expressed their concern regarding the stability of living in the rental house. They claimed that residing in the rental house did not constitute a sense of belongingness and feeling at home, as there was a lack of control with limitations in doing whatever they liked with the house (Easthope, 2004; Parsell, 2012). Unlike in Western countries where there is a regulation of the rental sector, the private renting sector in Asian countries is considered to have a lack of security and little sense

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of belongingness (Zhu, 2013). The arguments corresponded with the findings of this study where young people viewed the rental sector in Malaysia as having no sense of security and belongingness.

Furthermore, the respondents pointed out that living in the rental house made it difficult for them to expand their family due to the instability of the tenure. The respondents also argued that they would not be able to have an asset by living in the rental house as they did not take ownership of the house. As discussed by Bruce and Kelly (2013), living in a rental house did not allow them to create and enhance their identity and personality by having a home. As such, the idea of asset accumulation through homeownership could not be achieved if they were continuously renting. Hence, rental sectors are often considered as neither secure nor affordable, and perceived as low housing alternatives in many societies (Hoolachan et al., 2016). The following are the comments made by the respondents:

> *"I am currently renting, and I feel not secure at all as living here is not permanent. You also cannot do what you like because the house does not belong to you. If I continue renting, I may end up with no asset at all. I pay a high rent, but the house does not belong to me"*
>
> (Seri/15 Oct 2016/10am)

> *"As we add more family members, we want a secure place to call a home. But right now, I don't think that living in a rental house allows me to expand my family. This is because I don't want to move around so frequently. I want to own so that I can start my family"*
>
> (Christina/10Dec 2016/10am)

> *"Renting does not allow me to take charge on my own space. So, I don't have any sense of belonging living in this rental house. Because you do not own, so you don't care to participate in neighbourhood activities and so on"*
>
> (Remy/18 Dec 2016/2pm)

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(ii) High rental payment

In addition to the problem related to tenure insecurity, the high rental payment had also decreased their housing opportunities. While arguments were made on the high prices of housing faced by people towards homeownership, those living in the rental sector also facing the same where high rental payment burdened them (Chiu et al., 2018; Elsinga, 2017). The respondents expressed their difficulties to settle down in one specific place because the prices of the rental houses were high especially if they choose to live in the city areas. They strongly emphasised their preference to live in the urban areas, where access to facilities and transportation were easily available. However, the respondents highlighted that they had to pay the high monthly rental payment for such a house. Even though the condition and the quality of the house was poor, the location at the prime area resulted in the high rental payment. The high rental charged by the landlords affected their cash-flow as they had to spend more for their housing. The young people normally expressed their concern over the cost of living and accessing the rental houses (Bontje, 2016). With the absence of rental price regulation, the landlords can simply put the high rental price in the rental market, which indirectly affects the young people's independent living.

> *"Renting is expensive nowadays, especially in prime areas. Sometimes you have no choice but end up living at that area because you have to"*
>
> (Seri/15 Oct 2016/10am)

> *"At this moment, my income is insufficient for me to own, but I can rent. However, to rent also, the rental is so expensive especially in my area, the Klang Valley. But I have no choice"*
>
> (Myra/18 Nov 2016/12pm)

> *"Like myself, I live in the town area. So this maybe the reason why my rental is high due to location and the facilities available. I think the owner put the high rental because of this. And if we look at the house, it is not really good but location wise made it expensive"*
>
> (Tan/9 Oct 2016/4.30pm)

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Consistent with a study undertaken by McKee and Hoolachan in Scotland (2015), young people who were being excluded from homeownership and social housing were highly dependent on the private rented sector (PRS) to meet their housing needs. Nevertheless, the PRS offered for young people seemed unaffordable particularly amongst the low-income households. Even though renting is another alternative to those who cannot own a house, it may not be a suitable option for all groups of young people.

The challenge regarding the high rental payment was also discussed in a study by Chowdhury (2013). His study found that amongst the challenges confronting the middle-income group in Dhaka in accessing housing was the unaffordable rental. The lease tenure which they heavily relied upon was unaffordable due to the high rental payments which exceeded 40 percent of their monthly income. Also, the high rental deposits restricted the housing opportunities for the middle and lower income groups.

Another study conducted by Chepsiror (2011) among the low-income people in Kenya found that in accessing housing in their area, one of the challenges they faced was high rental payments, which hindered their housing opportunities. On the contrary, young people in the UK were increasingly squeezed out of the housing market and faced difficulties towards independent living due to the limited supply of affordable housing both in the public and private rented sectors. Buying a home, on the other hand, seemed beyond the capability of many young people (Terry, 2011). The pressure on the housing price was also discussed by Elsinga (2017) in that the PRS was also faced with the issue of pricing. As a result, renters suffered from the high rental payment due to the high price of housing.

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Nevertheless, although the rental payment was high, several respondents were willing to pay the high monthly rental to enjoy the facilities within a comfortable neighbourhood area. Two of the respondents claimed that if they chose to rent a house with a low monthly rental, they may not be able to enjoy excellent facilities and a comfortable environment. This was because most of the housing with low monthly payments did not provide these facilities. For example, an apartment with facilities such as a gym, pool, gardens, and other facilities is offered at a high price compared with an apartment without these establishments. Therefore, people are willing to pay high rental payments to enjoy the services. This argument reflects the findings of Bontje (2016) amongst the young graduates in Shenzen, China. The majority of the respondents expressed their satisfaction towards their current house despite the high rental. This reflected the willingness of the youth to pay a lot for their housing compared to other expenses. The findings conclude that, what constitutes affordable housing may vary according to cultural or conditions of the housing market. This can be seen from the following remarks:

> *"I choose to get good facilities and a comfortable environment. If I choose to rent or buy at low costs, I may not be able to enjoy good facilities, such as free Wi-Fi, entertainment, gym or pool. So, I choose to spend a little bit more to get the facilities that I want. Like me right now, I have to pay more for a small house but at the same time I can enjoy facilities based on what I need. It's quite pricey, but I'm willing to pay in return for the facilities provided"*
>
> (Anas Mikael/17 Dec 2016/4pm)

> *"I realised that a high price comes with a good package. Now, I'm staying at a neighbourhood area equipped with all the facilities. Near banks, malls, clinics, shops, and petrol station. Though I have to pay a high amount compared to others, since it satisfies my needs and preferences, it is okay for me"*
>
> (Christina/10 Dec 2016/10am)

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(iii) Poor quality of housing

An additional challenge and frustration faced by the respondents were related to the poor quality of the rental housing. The respondents claimed that they were currently paying the high monthly rental payment for the wrong quality of accommodation. The current rental houses were not in good condition as the landlords did not maintain the house. Some of the respondents mentioned that their rental houses looked old due to the old painting and there were some parts of the house that needed restoration. However, they were currently paying a high rental due to the location of the house at the urban area.

As opposed to their preferences and needs, they were living in a bad quality of houses at the expense of transportation facilities. Since they preferred housing near the public transportation, they had to give up on another important aspect of housing which was the quality. Corresponding with a study conducted by Bontje (2016) among young graduates in Shenzen, the author argued that it was tough to make a generalisation about their satisfaction towards their home due to different perceptions and backgrounds. However, the findings found that the young graduates placed importance on the aspect of living close to the facilities, transportation, and shopping mall. The following are the comments made about their rental accommodation:

> *"My current house is not in good condition. The condition of the house does not compensate for what I pay. But I have to accept it because I want to be near the public transportation"*
>
> (Seri/15 Oct 2016/10am)

> *"For me, my current house is in moderate condition. Among the thing that I am concerned with is the painting, bedroom, and kitchen areas. There are some parts of the house that require major restoration and it actually affect our quality of life"*
>
> (Remy/18 Dec 2016/2pm)

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> *"I am currently living in poor quality housing, but since the area has easy access to facilities, such as malls, schools, and clinics, and is near to my office, I have no option but to continue living in this place until I have the capability to move to a better place"*
>
> (Tan/9 Oct 2016/4.30pm)

The issue of poor quality housing has been documented in the study amongst low-income minorities in the United States (US). This study found that both homeowners and renters were faced with the challenges concerning affordability and poor quality housing. It was reported that nearly 50 percent of the low-income households lived in inadequate housing yet paid more than 30 percent of their incomes for housing (Lee et al., 2012).

Research findings by Teixeira (2014) also point towards difficulties faced by the immigrants in Vancouver in their housing opportunities. The evidence indicates that these people, who were renters, faced high rents, overcrowding, and poor-quality housing. In fact, they spent more than half of their monthly household income on housing. To adapt to these challenges, they chose to share their accommodation with other co-tenants or renting in low-quality housing. Hence, this situation put them under 'housing stress' as they paid more for housing at the expense of other expenditures. The scenario caused social exclusion and housing segregation that resulted in the quality of life deterioration.

5.7 Conclusion

Overall, this study has found that, the majority of the respondents aged between 25 to 34 years old were at the stage of building their life by having permanent jobs and achievements, and in the transition to adulthood. Malays were the majority of the respondents participating in this study. Almost all of the interviewees were well-educated and private sector employees, and the majority of them were single. Concerning their monthly income, the majority of them earned between RM3, 001 to RM8, 000 and were considered as a member of the low to middle-income group. For the married respondents,

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the average household income was RM9, 603. As such, all of the interviewees were fit for the government housing schemes. The findings also revealed that the majority of the respondents were currently renting or living with their parents/relatives, which indicates they had delayed their transition to adulthood and independent living due to various challenges.

After all, the findings show that the young people were faced with various challenges in their pursuit of adequate housing. For the homeowners, the findings found that the high price of housing had become their main challenge as they argued that the price of the housing available in the market was too high, thus making it difficult for them to own. Even more, their income was insufficient to afford such a high housing price as their financial commitment was high. Besides that, they also faced difficulties in getting the deposit for the housing down-payment due to an insufficient income to save for the housing deposit. Because they were young people who had just entered the workforce, they were at the economic disadvantage compared to the older generation.

Not only that, the current cost of living and stricter eligibility rules from financial institutions made their pursuit to independent living take longer. Government and other relevant parties to housing have introduced many housing schemes and programmes aiming at assisting their transition to independent living. However, there has been a lack of promotion and publicity regarding this matter. As a result, it has led to a lack of awareness and housing knowledge amongst the younger generation.

As for the renters, the findings also revealed that living in the private rental sector had brought challenges for them due to tenure insecurity, high monthly rental payments, and poor quality of housing which had affected their independent living.

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Several interventions are needed to respond to the challenges faced by the respondents in their pursuit of adequate housing. It can be achieved through the introduction of a more rational housing scheme for the younger generation and a more comprehensive rental system, and any future housing policy and practice should encourage alternative forms of homeownership assistance to help them embark in adequate housing and to achieve independent living. All of these interventions will be further elaborated in Chapter 7.

Understanding the current housing policy and practices are important in order to know whether there is any deficiency in the current practice. Thus, in the next chapter, the discussion will be made on the factors contributing to the deficiency of the housing policy and practice in providing housing opportunities for young people based on the findings from the survey, in-depth interviews with the key-informants, and lessons from international perspectives.

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CHAPTER 6 : CONTRIBUTING FACTORS TO THE DEFICIENCY OF HOUSING POLICY AND PRACTICES IN MALAYSIA IN PROVIDING HOUSING OPPORTUNITIES FOR THE YOUNG PEOPLE

6.1 Introduction

This chapter seeks to examine whether housing policy and practices in Malaysia is adequate in providing housing opportunities for the young people. It begins by explaining the views of the respondents (the young people), and agencies like NHD, PR1MA, REHDA and HBA regarding housing policies and practices in Malaysia derived from the questionnaire survey and in-depth interview. It consists of explanation on the emerging housing policy and schemes in addressing housing issues among the younger generation, their views on housing problems and the organisational roles (i.e., NHD, PR1MA, REHDA and HBA) relating to housing. Next, the explanation regarding factors influencing housing opportunities of young people which are made based on the opinions of the respondents (young people) derived from the survey. The aim of this analysis is to identify whether there is an association between affordability, location, housing knowledge and structural factors that shape housing opportunities of young people.

6.2 Emerging housing policy and practices in Malaysia

The aim of this section is to assess views regarding housing policy and practices in Malaysia in providing housing opportunities for young people from the perspective of youth and key-informants consist of NHD, PR1MA, REHDA and HBA. This section deals with a discussion on opinions of young people relating to housing policy and practices in Malaysia by looking at results from the questionnaire survey and in-depth interviews. It also examines views of state representatives and other relevant parties to housing concerning current housing policy and practices in Malaysia, housing issues

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among young people and their roles in response to this matter. The discussion is presented according to themes: 1) non-inclusive housing policy; 2) pro-homeownership policy; 3) facilitated housing plans and programmes; 4) non-uniformity of housing distribution; 5) lack of coordination among housing agencies; 6) housing information deficiency; 7) unaffordable housing market; and 8) attitude of young people.

6.2.1 Non-inclusive housing policy and practices

There is an argument towards the coverage of the policy that is neither comprehensive, nor inclusive to all groups of people in this country (Shuid, 2015; Ariffin, Omar, & Sa'dun, 2013; Cagamas, 2013; Faizah et al., 2012). The Malaysian Plan (RMK) is only focusing on improving housing situations among the lower-income group. The provision for affordable housing has only become the primary national agenda in 2012 until recently (Shuid, 2015).

Regarding the current housing policy and practices, 54.8 percent of the young people who participated in this study disagree that the current housing policy is inclusive. The policy is only promoting the housing welfare of the low-income group. 66.3 percent of them agreed that the existing housing schemes in Malaysia only focus on helping the low-income people instead of the middle-income (Table 6.1). The finding contradicts Shuid's (2015) study which has discovered that Malaysian government has designed and formulated the housing policy based on the needs of all income levels to make it more inclusive and cover all segments of the population.

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Table 6.1: Descriptive and RII Analysis for Views Regarding Housing Policy and Practice in Malaysia

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
The current housing policy is inclusive	13 (3.3)	56 (14.1)	148 (37.4)	41 (10.4)	80 (20.2)	44 (11.1)	14 (3.5)	3.78	1.47	53.9
The available housing schemes available focus on helping the low-income people instead of the middle-income people especially the young people	8 (2.0)	8 (2.0)	64 (16.2)	38 (9.6)	175 (44.2)	82 (20.7)	21 (5.3)	4.75	1.27	67.9

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

It is apparent that young people view the current housing schemes available in Malaysia only focusing on assisting the low-income people rather than middle-income category. The RII analysis (Figure 6.1) indicates the highest RII values. The creation of various housing schemes and housing programmes are targeted to the low-income group since 2MP until the current Malaysia Plan; in which signifies the importance of maintaining the welfare of this groups in Malaysian housing industry (EPU, 2016). The finding is consistent with findings of past studies (i.e., Agus et al., 2002; Baqutaya et al., 2016; Ministry of Urban Wellbeing Housing and Local Government, 2013; Yong, Kun-Hing & Kuppusamy, 2013; Zyed, Wan Nor Azriyati, Noor Rosly, 2014). All the studies conclude that although there have been some various housing initiatives promoted by the government; they are merely inclusive of the lower-income group. The policy implicitly excludes the middle-income; with the lack of appropriate housing options for the young people. As a result, these marginalised groups are at risk of not owning a house, and they are in danger of becoming homeless, which later contribute to the growing number of the homeless generation.

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Figure 6.1: Line Chart of RII Analysis for Views on Housing Policy and Practice

An in-depth interview has been conducted with young people to further investigate their opinion regarding the current housing policy and existing housing schemes in this country. The respondents have conveyed their expectation that housing policy should be inclusive to everybody regardless of their social status. From the data, it appears that some of the interviewees agreed that Malaysia has a policy on housing, but argued that the policy is not inclusive. Below are the comments:

> *"Of course, Malaysia has a policy on housing. I think I know about the policy. I hear it from government Budget. But to what extent it covers all population, it is still questionable."*
>
> (Anas Mikael/17Dec 2016/4pm)

> *"National housing policy is available, and it should be inclusive and comprehensive. It should cover all groups of people.*
>
> (Remy/18 Dec 2016/2pm)

At the same time, there is an argument towards the coverage of the policy that is neither comprehensive nor inclusive to all groups of people in this country. As much as they aware of the current housing policy, but at the same time they argue that the policy

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neither inclusive nor comprehensive. The National Housing Policy (NHP) was introduced in line with the Malaysia 10th National Development Plan (10MP). The policy aims to provide adequate and quality housing with comprehensive facilities and environment, enhancing the capability and accessibility of the people to own or rent houses and setting future direction to ensure the sustainability of the housing sector (National Housing Department, 2010).

However, the policy focuses more on providing housing opportunity to the low-income people with various housing provisions concerning them. Similar to other East Asian countries as discussed by Doling (1999b), Heo (2014) and Ha (2013), the provision of public housing in this country is also targeted to the low-income group through the public-sector rental and flats for sale at an affordable price. The initiatives are aligned with KRI (2015) argument that the government focuses more on housing provisions for low-income group, which forms part of a minority of the recipients, and spends substantial resources for this group, thus ignoring the interest of the bigger population. As a result, the policy and its related housing agencies have failed to understand and manage Malaysia housing sector.

As one of the tools to eradicate the poverty, emphasis has been given by the government to the provisions of housing for the lower income group in each of Malaysia Development Plan. The objective is to provide adequate, quality and affordable houses (Ahmad et al., 2011; Ariffin et al., 2013; Cagamas, 2013; Doling & Omar, 2012; Shuid, 2015). Only recently, the government has realised the needs to improve housing opportunities among the middle-income group where majority of them are younger generation as they are the most populous group in this country (Zyed, at., al.; Shuid, 2015;

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Economic Planning Unit, 2016). The following participants made comments on the coverage of existing housing policy:

> *"For me, maybe from government perspective, they should make amendment or reviewed the existing policy on how they can protect the younger generation in terms of their housing opportunities. Because what I can say right now the policy failed to include all people"*
>
> (Anas Mikael/17 Dec 2016/4pm)

> *"I can say that the current policy on housing is not comprehensive enough. What I mean is… the policy is there but siding to certain group of people only. So, based on what I observed, it looks like 50-50. Some of the people are covered, and others are not"*
>
> (Remy/18 Dec 2016/2pm)

> *"Housing policy that focus on provision for young people only received government attention within these past few years"*
>
> (Seri/15 Oct 2016/10am)

Informants from NHD and REHDA, however, disagree with such claim and emphasise that the current policy is inclusive to all. According to one of the officers from the National Housing Department, the policy on housing was initiated in 2011, but the action plan involving other agencies was implemented only in 2013. They do agree that the existing housing policy has covered all housing aspects and inclusive to all, nonetheless, it might not be relevant to the current housing situation. One of the responses was quoted as follows:

> *We have housing policy that covers for all, not only young people. We know that it does not response to the housing situation nowadays because it was initiated long time ago and does not respond to the current situation. So, we think that this is the time for us to relook into the policy and improve from it"*
>
> (Officer A, NHD/3 March 2016/10am)

Moreover, the informants claim that the housing policy and practices in Malaysia seem inclusive because they cover the whole population. The income bracket in Malaysia is divided into three categories consist of Middle 40 (M40), Bottom 40 (B40) and Top 20

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(H20) (EPU, 2014). The NHD has several housing programmes under MUWHLG covering those under B40 which includes PP Housing programmes, Transit House, Housing Loan Scheme, MyHome and MyDeposit for the first home (MUWHLG, 2017). These initiatives are introduced to facilitate their opportunities to adequate housing mainly towards homeownership.

Apart from that, the government has now shifted towards helping the M40 in improving their housing opportunities. The initiative is translated in the 2016 National Budget whereby the new homes scheme known as MyDeposit was introduced with the allocation of RM200 million for the First House Deposit Financing Scheme under MUWHLG to assist first-time house buyers of affordable houses in paying the deposit (MoF, 2016). This housing initiative is in line with the objective of NHP to increase the affordability and accessibility of the people to own a home (Shuid, 2015; MUWHLG, 2013).

The recent 2017 National Budget also witnessed the housing provisions for the middle-income group. There are several programmes for affordable housing announced to further accelerate and broaden the accessibility of affordable housing to the people in taking their first step towards homeownership and achieving independent living (MoF, 2016). There are:

(i) an increase in the public servants' loan eligibility for 1 Malaysia Civil Servants Housing (PPA1M),

(ii) the introduction of My Beautiful New Home Scheme aims to provide housing opportunities particularly in encouraging homeownership for the bottom 40 percent of household earning monthly income of RM3,900 and below (B40),

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(iii) the allocation of 10,000 units of houses for rentals in urban areas for the eligible youths with permanent jobs to improve the accessibility to housing; and,

(iv) the introduction of the End-financing scheme for the PR1MA houses that is offered to the buyers with the end-financing up to 90 percent to 100 percent loan financing, which improves their accessibility of funding and assists them to own a home.

One informant from the National Housing Department has made the following clarifications:

> *"If we look at income range from 3K to 15K, there are M40 and touching H20. For this category, we agree that all this while government focus on serving the B40 (0K to 3850K). We have PPR houses. At that time, we set the policy that all PPPR houses are for those earning below than RM2500. But now we are shifting towards M40. Apart from that, other ministries also have their own housing programmes to cater the youths. For example, housing schemes under the collaboration between BSN and Youth Housing Scheme. And also, under CAGAMAS, giving 100 loans also targeting to the youths. Apart from that, we also have Ministry of Rural and Regional Development. There are lots of agencies that involved in housing and each of their agencies has their own housing programmes. And for 'Ministry of Human Resource, they also provide housing but for different segment that is for estate workers. So, what we can say, there are lots of parties involved in providing housing for Malaysians, but our focus again, for low-income people and now are shifting for M40"*
>
> (Officer A, NHD/3 March 2016/10am)

Further agreement is highlighted by the informant from REHDA on the coverage of the housing policy and practices in Malaysia.

> *"All of the government efforts for housing is good. If possible, we want to ensure all Malaysians own a house. It doesn't matter whatever the race; even we want to include 'orang asli' in the government policy so that everything is inclusive. As part of social engineering roles, we want every citizen to live in harmony by having a home because if everybody has their own, they will not jealous towards the others because if not, all the social problems may arise. Currently, we have houses below than RM500K, but the house is quite small, and we also have studio apartment. And for those salary more than RM10K, they can also buy from secondary market. And they can rent out easily. So, what I observe, the housing initiatives and schemes in Malaysia is to the certain extent is inclusive"*
>
> (Officer A, REHDA/21 March 2016/10am)

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Nevertheless, the coverage is not entirely integrated as the main responsibility has been assigned to the private markets. The government attention is confined only to the low and medium-income groups which has caused the other segments of the population to meet their housing needs through the private market (Zhu, 2013). Realising that they have to intervene in order to facilitate this group whom a majority of them are younger generation struggling in the private markets, the government has introduced various housing schemes to facilitate them further. Moreover, the establishment of PR1MA and SPNB are seen as a federal effort to provide adequate shelters to its citizens through the development of affordable housing (Ahmad et al., 2013). The government, however, still focuses on helping the lower-income group as part of their social engineering process which is their long time national agenda.

> *"The focus towards M40 has only started in 2010, yet not fully 100 percent covered. We are still tackling the B40 but at the same time focus towards M40. Slowly we try to help them and for B40, we do not eliminate them"*
> (Officer B, NHD/3 March 2016/10am)

Nonetheless, there is an argument that the current housing policy and practices in Malaysia lack of inclusivity as there are some segments of the population who are being excluded from enjoying their housing opportunities. Despite the government initiatives towards homeownership to develop own future welfare, young people housing opportunities are still limited due to the difficulties accessing to housing ladder (Bessant & Johnson, 2013; McKee, 2012; Hirayama, 2012).

On the contrary, there is comprehensive housing coverage in Singapore whereby the government emphasises on offering various choices for a different group of citizens by providing different types of flats that suit their affordability. The exercise of housing choices does not exclude any of the income groups, and family sizes and the price

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determination has been made based on the purchasers' affordability rather than the cost of the houses (Yuen, 2007).

> *"The housing policy is supposed to be inclusive. The blueprint is drawn so all can follow by the line, but each states and other agencies are not following because they have their own vision and mission, because of that, one might be left behind"*
>
> (Officer A, HBA/27 February 2016/2pm)

The analysis of the answers shows that there was an effort taken by the government to serve the housing needs of its citizens based on the establishment of the NHP. It acts as the guideline to all ministries and housing agencies for housing provisions. However, there is no centralisation on housing matters under a specific controller because each of the states and housing agencies is working separately. Since each of the ministries and housing agencies has their specific policy on housing, lack of control in the housing practices eventually leads to the non-harmonious housing industry. Besides, the government and other housing agencies overlook the other tenure which might be more relevant and suit with the current housing situations.

Even though subsidies such as MyDeposit and schemes like RTOs claim to give opportunities for young people to climb the housing ladder, however, it only benefits a group of individuals. The public-sector involvement in the direct provision of rental housing is at marginal. Also, the government intervention regarding rental tenure is limited as focus towards homeownership is more prevalent. There is no strong rental system in this country as there is no specific regulation regarding this tenure. As housing policy does not support the supply of private rental housing, thus, little assistance is given for the development of private rental housing and no provision of rental subsidy (Hirayama, 2012).

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6.2.2 Pro-homeownership policy

The housing system in Malaysia focuses more on facilitating homeownership instead of other housing tenures (Doling & Omar, 2012; Hamzah & Adnan, 2016; Ronald & Doling, 2010). Homeownership is vital in Malaysian housing provision and the future development of the country (Wan Nor Azriyati et al., 2014; Doling & Omar, 2012). The homeownership has often been used for urban development and economic growth (Doling & Ronald, 2014; KRI, 2015; Shuid, 2015). As argued by Ronald & Doling (2010), housing system in East Asia countries has witnessed the facilitation towards homeownership as it is perceived to enhance the economic development, asset-based welfare and improve social solidarity.

Table 6.2 shows that 66.4 percent of the young people involved in this study cited that the existing housing policy and programmes were more a homeownership-focused policy. The result of the survey and RII analysis (Figure 6.1) highlights that young people agreed that the available housing schemes were only focusing towards homeownership rather than other housing tenures such as rental or public housing. The feedbacks are in line with the argument that Malaysia is one of the countries that focuses on achieving home-owning status as a high-developed nation is often associated with high numbers of homeowners. Malaysia, like other countries such as the UK, Australia, Hong Kong and Singapore emphasises on promoting the homeownership as one of the strategies to strengthen its authority and stabilise the society (Doling and Ronald, 2014; Bessant & Johnson, 2013; Poon & Garratt, 2012; Gurran & Whitehead, 2011).

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Table 6.2: Descriptive and RII Analysis for Views Regarding Housing Policy and Practices in Malaysia

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
The available housing schemes focus in facilitating the young people to own a house rather than both	5 (1.3)	9 (2.3)	74 (18.7)	45 (11.4)	200 (50.5)	56 (14.1)	7 (1.8)	4.57	1.14	65.3
The current housing policy facilitate the young people opportunities to adequate housing	6 (1.5)	45 (11.4)	128 (32.3)	51 (12.9)	116 (29.3)	48 (12.1)	2 (0.5)	3.95	1.32	56.5

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

Thus, leaving home to live independently by renting is not an effective solution as it hinders wealth accumulation (Holdsworth & Solda, 2002). Homeownership is viewed as one of the tools for wealth creation and acts as an investment good (Elsinga, Quilgars & Doling, 2012). The indirect consequence of over focusing on homeownership is the states overlook the actual needs of the society, especially the young people. To a particular group of people (in this case young people), owning a house does not guarantee their future well-being. The states should focus on providing adequate shelters either through owning or renting which is corresponding to their economic status. Apart from that, the rental sector should be improved and better regulated so that young people have other options rather than forcing themselves to commit to homeownership regardless of their financial limitations (Deng, Hoekstra, & Elsinga, 2016).

On the other hand, half of the respondents (56.5 percent) recognized that the homeownership policy has proven to facilitate their housing opportunities (Figure 6.1). This can be seen from the various housing initiatives promoted by the government to assist young people to own a home through various means such as subsidies and financing assistances. Also, the government has made it as an important agenda in each of the

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national development plans to provide all Malaysians with access to adequate shelters (Shuid, 2015; Ministry of Urban Wellbeing Housing and Local Government, 2013; Agus et al., 2002; Agus, 1997). With the introduction of schemes such as My First Home Scheme, 1Malaysia People Housing Programme (PR1MA), Youth Housing Scheme, End-financing scheme, and My Deposit for the first house, it hopes to increase housing opportunities among the younger generation and at the same time contributes to the growing numbers of homeowners. As a result, homeownership remains dominant in Malaysia as the percentage of individual ownership increased to 79.6 percent in 2010 compared to 77.2 percent in 2000 as reported in DoS (2013). In fact, Malaysia has a relatively high rate of homeownership compared to other developed countries like Australia, the UK and the US (Khazanah Research Institute, 2015).

The argument about the existing housing policy and practices that are focusing on homeownership is further elaborated during the in-depth interview with young people. Homeownership has been reflected as the most appropriate investment vehicle for asset-based welfare system (Doling & Ronald, 2010). Under asset-based welfare system, individuals accept responsibility for their welfare needs by investing in property assets which in future will increase in value. Under this system, housing provision is said to be highly commodified rather than de-commodified which means that housing reflects the ability of households to pay, and access to housing is also based on the resources that people have.

Nevertheless, having stable and adequate housing for the owner-occupied sector may only force young people urgency to homeownership despite their economic uncertainties, which in turns may lead them to fail in the housing market (Deng et al., 2016). As an alternative, the government should focus on improving their affordability

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and better regulation on the rental sector. Consistent with the literature, young people in this study have highlighted that the housing policy in Malaysia is favouring towards homeownership, hence, neglecting other areas which also need further consideration. They said:

> *"What I observed, most of the housing schemes and even our housing policy are targeted to improve the homeownership among the people. But for me, there should be other housing options. Not all young people want to own, I mean at least not for now because we cannot afford. We need something that we can bear the costs and feel like home"*
>
> (Seri/15 Oct 2016/10am)

> *"Owning a home doesn't mean that you need to take the ownership. As long as we have adequate shelter, be it rental house, I think it is okay. For me, rather than government focus on homeownership, they should look at other alternatives as well"*
>
> (Tan/9 Oct 2016/4.30pm)

> *"Maybe there should be more housing schemes or provisions that help us to achieve homeownership by renting first. I mean let us have stable life, then only we think about owning"*
>
> (Christina /10 Dec 2016/10am)

> *"Of course, everybody wants to own a house. But due to so many constraints, better we rent first until we could do so. But to do this, we need good rental system that can help us to achieve it"*
>
> (Remy/18 Dec 2016/2pm)

On the states and housing agencies side, findings from the in-depth interview with the officers from NHD and PR1MA have confirmed that Malaysia has a policy on housing; with a focus on its housing tenure which is pro-home owning tenure policy. The government support towards this policy has resulted to the booming in the housing market concerning housing price, housing consumption and housing investment. Thus, housing has developed as wealth creation for the individuals (Zhu, 2013). Similar to Western countries like the US (Levitin and Wachter, 2013) and other East Asian countries such as Japan, China, Hong Kong and Korea (Ronald & Doling, 2010), the aim of housing policy in Malaysia is to increase homeownership. They claim that the existing housing policy is relevant and beneficial to the people, especially the younger generation to own or at least,

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rent a house. In fact, it has been argued that Malaysia has a good policy on housing as it outlines the future direction for the development of the housing sector (MUWHLG, 2013). As such, strong government intervention in the area of housing has promoted housing consumption as an investment good for households, which has been referred as an asset-based welfare system (Doling, 1999b; Doling & Ronald, 2010).

> *"The current policy aims to increase homeownership which can be seen from the government housing schemes. Many housing programmes and initiatives were designed to facilitate the expansion to homeownership"*
> (Officer A, NHD/3 March 2016/10am)

> *"We have been working closely with the government to ensure people have access to homeownership. Homeownership creates sense of identity and act as asset accumulation among the people"*
> (Officer A, PR1MA/10 March 2016/11am)

Nevertheless, the pro-homeownership policy in Malaysia has been argued to exclude a group of people who is neither fits the schemes for the lower-income group, nor for the private market, thus has trapped them in various housing problems. Similarly, in China and other East Asian countries, their pro-homeownership policy has been argued to increase wealth accumulation for some people, yet caused others segments to suffer from housing problems including the young civil servants due to the high price of housing and unfriendly institutional arrangements (Zhu, 2013; Doling & Ronald, 2010).

Based on the findings, this study has found that most of the present housing schemes are only focusing on a single housing tenure, that is facilitation towards homeownership rather than other housing tenures as it claims to provide stability, sense of belongingness, asset accumulation and secured housing tenure (Hoolachan et al., 2016; Levitin & Wachter, 2013; McKee, 2012; Rahman, 2010). Although it may accumulate wealth and seem stable, it has disadvantages especially for those who economically unstable (Mulder & Lauster, 2010).

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As much as the government is aspired to increase homeownership rate in a country by promoting more homeownership schemes, it should not focus on homeownership per se but should concentrate on giving opportunities for the young people to access to adequate and decent housing. Since rental housing sector is neither affordable nor secure, thus it is low housing alternatives in many societies (Lennartz et al., 2016). Relying on market provision and owner-occupation in the housing market bring danger to the society specifically and the nation (Mulder & Lauster, 2010). As such, the government may offer large rental sector in the housing market to improve housing opportunities, particularly among the younger generation.

Rather than focusing on increasing homeownership rate among young people, the concern should be given to ensure everybody has adequate shelter by either owning, renting or other housing options. The right to adequate housing is not the same as the right to property as it is not related to ownership, but the government must ensure everybody has a safe and secure place to live in peace and dignity even if he or she does not own the property. The right to adequate housing needs to make sure that there is a security of tenure, within the affordability of the people, adequate space, highly accessible to everybody, a location that allows access to core facilities and other housing infrastructure (United Nations High Commissioner, 2009).

6.2.3 Facilitated housing plan and programmes

Government intervention for housing can be seen through subsidies and various housing schemes and initiatives. The government has fulfilled their social roles through intervention in housing production and exchange to ensure everybody has access to adequate housing (Doling, 1999b; Doling & Ronald, 2010). The government has participated through all stages of housing provision such as development, construction

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and consumption stage, but the intervention is minimal at certain stages due to the operation of the free market. In contrast to the classic communist country, housing provision in Malaysia is viewed as pure-capitalist whereby private sectors dominate all the three stages in housing provision and the government intervention is considered as residual only when people cannot survive in the marketplace (Doling, 1999b; Siti Hajar, 2011).

Based on the findings of this study, the result of the survey has revealed that while 45.2 percent of the interviewed young people disagreed that current housing policy facilitates their housing opportunities, another 41.9 percent of them viewed the current housing policy has assisted their chances of adequate housing. Thus, we can say that the existence of housing policy in some manner can increase the younger group housing opportunities. As outlined in the Tenth Malaysia Development Plan (RMK10) (2011-2015), the provision for affordable housing programme and low-cost housing will be expanded to continue to assist the people, among the bottom of 40 percent households to own a home. Towards this, the government has encouraged the private sector to develop more affordable medium-cost housing which includes the element of adequacies such as better facilities and access for disadvantaged people such as the older and disabilities persons (Prime Minister Office, 2016).

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Table 6.3: Descriptive and RII analysis for Views Regarding Housing Policy and Practice in Malaysia

Indicator	1	2	3	4	5	6	7	Mean	SD	RII
The current housing policy facilitate the young people opportunities to adequate housing	6 (1.5)	45 (11.4)	128 (32.3)	51 (12.9)	116 (29.3)	48 (12.1)	2 (0.5)	3.95	1.32	56.5
There are available rental schemes offered to help the young people that could not afford the homeownership	6 (1.5)	32 (8.1)	185 (46.7)	36 (9.1)	79 (19.9)	48 (12.1)	10 (2.5)	3.84	1.35	54.9
The government served and matched the housing needs of the young people	20 (5.1)	44 (11.1)	176 (44.4)	46 (11.6)	68 (17.2)	34 (8.6)	8 (2.0)	3.59	1.37	51.2
The available rental schemes introduced by the government meet the objectives to ease the housing problems among young people.	22 (5.6)	42 (10.6)	175 (44.2)	42 (10.6)	67 (16.9)	40 (10.1)	8 (2.0)	3.61	1.41	51.6

Note: SD = Standard deviation; 1 = Strongly Disagree, 2 = Disagree, 3 = Somewhat Disagree; 4 = Neither Agree or Disagree; 5 = Somewhat Agree; 6 = Agree; 7 = Strongly Agree; RII = Relative Importance Index (%).

Besides, the respondents also agreed that there are available rental schemes helping young people that could not afford the homeownership. It shows their awareness regarding the rental schemes such as Rent-to-own scheme (RTO) offered to them. The plan of RTO, which is equivalent to Lease-to-Purchase scheme in the US, is considered as an effective tool to homeownership as it offers an alternative between renting and buying (Carr & Mulcahy, 2010). Similarly, in the UK, the recent housing interventions can be seen from the introduction of Mediated Private Rented Sector tenancies (PRS) for the younger people (Rugg & Quilgars, 2015). Whereas, in Australia, affordable rental has also been introduced under the National Rental Affordability Scheme (NRAS) to give options to those who cannot afford to join homeownership (Department of Social Service Australian Government, 2017).

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However, some of the respondents (56.3 percent) were not aware regarding the housing scheme facilitating them. Even though the rental schemes are available in this country, it fails to ease the housing problems especially among younger generation with 60.4 percent of them agreed on this. Besides, results also indicate that among all respondents, 60.6 percent of them recognised the assistance from the government in serving and matching their housing needs (Table 6.3).

Meanwhile, a discussion with the informants from housing agencies advocated that the government has put a high effort in initiating various housing schemes and programmes concerning the younger generation. The government is strongly interventionist in the housing system through various housing subsidies and schemes. Furthermore, the government has realised the importance of serving their housing needs because this group plays prominent roles in shaping the ruling power. Like Hong Kong, the Malaysian government, together with other housing agencies has introduced several housing schemes such as my MFHS, PR1MA, YHS, MyDeposit Scheme, Transit Homes, RTOs to facilitate their transition to independent living and to improve their housing opportunities. Quite similar to the Singapore's Young Families Priority Schemes (YFPS), Malaysia has responded to the housing needs of the younger generation through the introduction of YHS with 100 percent loan financing from BSN. Not only that, to ease their burdens, the government has permitted the withdrawal of the EPF funds for the housing deposits and other legal costs. The similar practice has been done in Singapore through their CPF.

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Overall, there is an effort by the government and other housing agencies in providing assistance in terms of supplying affordable houses and housing subsidies for the young people (Ha, 2013; Heo, 2014; Doling & Omar, 2012; Shuid, 2015). Those interviewed made following remarks:

> *"I think there are housing schemes for few category (150K,180K, 140K and others). Each state has their own housing programmes such as Rumahku Selangor in Selangor, Johor, Melaka...I think for the middle-income (we are talking about 4 to 5K) monthly income, they can afford to buy house below than RM150K and for PR1MA, our houses are for the income bracket between RM2500 to RM10K, and for those 6K to 10K, I think they can qualify for houses below than RM250K, and of course for more than RM10K, they can afford houses more than RM250K"*
>
> (Officer A, PR1MA/10 March 2016/11am)

> *"From the supply side, there are various affordable housing schemes introduced by government. If in KL, we have RUMAW1P, In Selangor, we have Rumahku Selangor, which is under states housing policy. Salary from RM3K to RM10K, there have category of houses that fit them. There are type A, B, C and below RM250K is considered affordable houses and the developers must build it. Other than that, we have PR1MA, not more than RM400K, then we have SPNB. So, there is no issue in terms of supply side"*
>
> (Officer A, REHDA/21 March 2016/10am)

Furthermore, as young people face with difficulties to provide a 10 percent housing deposit, the government has responded to this problem by introducing one scheme known as MyDeposit. The scheme aims to help the middle-income group, specifically the first-time house buyers to pay for the housing deposits. The idea of this plan is to assist them in the beginning by providing a 10 percent deposit from the purchase price so that they have the opportunity to own. Further clarification was made by the informants as following:

> *"This is how government response to the issue. We want to help them at the beginning and as years go along, their income will increase. It is difficult at the beginning to get a loan, deposit and so on. So, based on that understanding, we feel that it is a need to help them in the beginning years and as subsequent years, they will sustain themselves. If we don't help them in the beginning, then of course forever they will be renting. But of course, there are stringent processes in the selection. Not everyone can come and get the deposit"*
>
> (Officer B, NHD/3 March 2016/10am)

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> *"We want to make sure for first-time serious buyers, they can have that opportunity to own. The intention of this scheme is to cater the problem of housing deposit. That is why government come out with this. That's what we say earlier, the issues arise and government response through this"*
>
> (Officer C, NHD/3 March 2016/10am)

> *"In the 2016 budget, government introduced MyDeposit which they can get 10 percent for the down-payment, let say RM30K. so if they cannot afford, and qualified for the scheme they can apply. Government wanted to help them by providing this initiative. So, on our part at REHDA, we follow government policy. But what we want from the government is that the names must be qualified for the loan. MyDeposit is a noble effort. Like in Australia, the first-time home buyers get grants from government. So, we prefer those who could not afford can get full assistance (first-time grant) from the government. If possible, everybody can get such assistance once in a lifetime. But for now, government has limited capacity to do that. But at least, they cover certain people. I think that is pretty good"*
>
> (Officer A, REHDA/21 March 2016/10am)

Regarding the housing issues among the younger generation, all the informants claimed that they have participated in response to the housing issues particularly among the younger generation and strongly expressed roles played by them in facilitating the issues concern. According to the NHD, the government has successfully initiated various housing schemes to cater the housing problems among the citizens, specifically for young people. This can be seen from the government intervention through many subsidies such as My First Home Scheme or also known as *Skim Rumah Pertamaku* (SRP) to assist the young adult to buy their first home through hundred percent (100%) financing from financial institutions, Youth Housing Scheme (YHS), which is designed for married youth and also the introduction of First House Deposit Financing Scheme (MyDeposit) to assist the first-time house buyers in paying for the housing deposits.

To further accelerate and broaden the accessibility of affordable housing among the people, there is an increase in the public servants' loan eligibility for 1 Malaysia Civil Servants Housing (PPA1M), the introduction of My Beautiful New Home Scheme, the allocation of 10,000 units of houses for rentals in urban areas targeted to the eligible youths with permanent jobs and also the introduction of End-financing scheme for the

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PR1MA houses scheme with the end-financing up to 90 percent to 100 percent loan financing.

The existing housing schemes and initiatives have considered the entire housing situation at that time. As such, every National Development Plan has witnessed the increment of housing provisions to achieve the target listed in the NHP that is to improve access to adequate housing among all. The existing schemes cover all people including all stages of marital status (couples and single) and free from age discriminant. It is stated as follows:

> *"Every RMK will see the improvement in terms of housing provision so that people will have housing opportunities. Our schemes cover all, if they are couples, then we look at household income and if single, we look at individual income. We do not discriminate in terms of single or married"*
>
> (Officer B, NHD/3 March 2016/10am)

> *"When we design the policy, we already considered age for graduates, we do not discriminate the age, but of course there is maximum age limit that is up to 45 years. The important one is income"*
>
> (Officer D, NHD/3 March 2016/10am)

The existing schemes are said to be comprehensive and designed for different economic and social backgrounds, and if there are people who could not afford any of the plans, they may choose for other housing schemes that suit their housing needs and capability.

> *"If youth cannot afford to buy a house, then they can choose other schemes. Like PR1MA, RTO, 100 % loan collaborate with CAGAMAS. They are actually various options and for married people, we have temporary transit house for them before they can actually own"*
>
> (Officer C, NHD/3 March 2016/10am)

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From the developers' side, for instance, the PR1MA and REHDA claim that their agencies have responded to the housing problems of the young people by supporting the government initiatives to build more affordable housing. The establishment of these agencies in 2011 is part of the government initiatives to develop affordable housing for the middle-income households thus has made the housing production under the purview of the market, where the state intervention is limited for the housing development in general (Shuid, 2015).

All the housing assistances introduced by PR1MA show that they are not only serving the national agenda of building an affordable home especially for the middle-income people but also to improve housing opportunities for the targeted groups by promoting greater homeownership assistance, particularly to those facing challenges in their pursuit of adequate housing. As mentioned by an officer from PR1MA:

> *"We offered RTO and other housing schemes to help those facing housing challenges. We lower the price, or maybe in the future we become the housing finance, thus we'll be more lenient to the borrowers. We try our very best, but if they could not afford at first, then how can we help them in the future?"*
>
> (Officer A, PR1MA/10 March 2016/11am)

On the other hand, REHDA acts as a leading representative body for all the private developers to support the government home-owning aspiration through the development of housing in the private market. The housing provision in Malaysia is a collaborative effort between the public and private sectors to achieve the national housing target that is to ensure everybody has access to adequate shelter. For them to effectively play their role as representative, the informant expressed REHDA concerned over the housing policy. Although REHDA views that our country has already had a good policy on housing, good

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land law, good government policy, supporting industries and others, the informant discovered that the policy still needs to be refined to speed up the housing practice.

> *"Since everything we do must get the government approval, thus we need the support from the ministry concerned so that we can speed up process at our end. Policy need to be refined. Not all developers make profit. It's a tough business*"
>
> (Officer A, REHDA/21 March 2016/10am)

As for the side of the non-profit organisation (NGO), HBA argues that their role is to influence the government to ensure that everybody has an equal housing opportunity. To influence the government and other relevant parties regarding housing matters, HBA has published numerous articles in the local newspapers commenting on the housing issues and problems faced by the people. Apart from that, they also act as an advisor regarding any housing issues brought by the public against any housing developers in Malaysia so that they can offer possible solutions. Also, they indicate that part of their challenges in handling the housing issues among the people are related to affordable homes and the fraudulent developers. The informant highlighted their role as follows:

> *"As far as I know, we are the committee hammer into the government. For example, we try to influence government to do something. Then, we come out with lots of articles in the newspapers and this hope to open the eyes of the administrators. Of course, at the end of the day, is the genuine intention of the policy makers to do the right thing for the citizens. We can do lots of research, but at the end of the day, the policy makers must be genuine in their intention"*
>
> (Officer A, HBA/27 February 2016/2pm)

> *"There are many cases of premature delivery, building incomplete and project abandoned. So big challenges for us to hear and advice on the cases"*
>
> (Officer B, HBA/27 February 2016/2pm)

Regarding the effectiveness of these initiatives in facilitating young people to improve their housing opportunities, either by renting or owning, this study has found that the government and other agencies have put high effort in supporting their access to

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adequate home, especially on homeownership through the establishment of such housing schemes. Looking at the housing initiatives and efforts in improving the housing opportunities of the younger generation, we can say that the Malaysian government is responsive in improving adequate housing opportunities as there are various affordable schemes such as PR1MA, MyDeposit, States' Housing Schemes and a few others as discussed in Chapter 3. As such, the government has intervened through various processes starting from the housing production, housing development and housing consumption whereby the government involvement is high as part of their social roles. The aim is to ensure that every citizen can enjoy their rights to adequate housing.

> *"I think compared to other countries in the world, our government is very friendly to homeownership by the masses. They are very social attach because government wanted to get involve in everything related to housing. And for the developers, we are at most to bear the costs. We have good CSR, but little is known"*
>
> (Officer A, REHDA/21 March 2016/10am)

The discussion on the effectiveness of the current housing policy and practices in Malaysia is further commented by the National Housing Department. For them, the current housing schemes and initiatives have assisted young people in improving their housing opportunities and all those initiatives taken by them are sufficient in helping this generation in their transition to live independently.

> *"Government at their means has done so much to provide the best for the people. And with all the schemes and programmes that we had, at least they have a shelter, either to rent or own. People must understand that government cannot develop affordable houses in the urban areas because land is expensive and concentrated. For us, their mind has to shift. Instead of blaming the government for not assisting them, they should think on their affordability and how to improve it"*
>
> (Officer D, NHD/3 March 2016/10am)

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Despite various housing schemes provided for this younger generation, there is an argument pointed out by informants from HBA towards the relevancy of certain schemes, as they are not viable to the extent that they would not help the younger generation in their pursuit of adequate housing and yet have trapped them in a worse situation. Helping them by subsidising the housing deposit would not facilitate them in the future. Nonetheless, it pushes them into debts because if they could not afford the deposit to begin with, they may not survive the instalments.

> *"Currently, the market is there, but there are abundant of the unsold property, but the price has become ridiculous, house price beyond affordability. Recently in budget 2016, government is going to come in with the deposit. That is the noble idea. But we are against it. Why? Our stance is that, if you have no money to pay for the deposit, don't buy. It does not make you responsible house buyers if you have no deposit. Not responsible in the sense that they have already spoon-fed with the 10% deposit, they might be a defaulter. You take 90 percent loan and you get loan. Yes, it is your pride to have a house, but you lock yourself with the instalment of that house"*
>
> (Officer A, HBA/27 February 2016/2pm)

> *"If they don't have money to own, they better rent. When you rent, the process is easier and made you easy to move around. When you buy the property, you'll stuck with the location. To me, MyDeposit scheme is a noble idea, but ill-advice. That's why when PR1MA come out with 'Rent-to-buy', the idea is good. You rent first and if you like the location and have the capacity to buy, then only you own*"
>
> (Officer B, HBA/27 February 2016/2pm)

On the other hand, NHD claimed that concern was raised regarding public perception of their efforts. It was argued that not the current housing policy and practices be said to be deficient in providing housing opportunities for the young people, but it was the public perception of the failure of the government to help them. There are various limitations faced by the government and other agencies in the effort to provide more affordable houses to the people. One of it is due to the land factor. The development is shifted to the suburban since urban areas are too concentrated and shortage. For the development in suburban, a factor such as transportation plays a vital role to ensure a

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smooth transition. Therefore, all the parties concerned must cooperate in assisting this generation to own or at least rent a house so that they can have a quality of life.

> *"It is true that we cannot provide houses at the cities because congested so we shifted to suburban. But there are other parties should play their roles such as state government. Provide us with good land and the strategic location so that government can think of providing better options for rakyat. We are looking at new model such as provide 1 room studio apartment which is suitable for the young people who first search for a house. Then as he grows into the family, they'll shift to 2 rooms apartment. And one more, all the government houses at the urban areas will not be sold off. Young people can rent and when they reach certain affordability level, then can shift to another place. That is the kind of changes that we made to assist young people to own"*
>
> (Officer C, NHD/3 March 2016/10am)

To response to the housing problems, the government is continuously making improvement. There should be an evaluation of the existing housing policy and practices from time to time to produce better housing policy and initiatives. Working towards this policy changes, input from relevant parties such as the Ministry of Finance, EPU, MAMPU, KRI is needed from their study. The contribution from NGOs like REHDA, HBA in term of input is useful for the policy improvement. The following is the remark:

> *"We need info from related agencies for policy changes. The policies must be made continuously. We need to evaluate the issues from time to time, then we can act better. Now government is in the process to develop 'Perbadanan Pengurusan Perumahan Negara (3PENs). The aim is to manage all public housing where we will take over and redevelop and made improvement so that it will be more presentable and suit the needs of the people"*
>
> (Officer B, NHD/3 March 2016/10am)

Also, an informant from REHDA added that the role of government in housing production and development needs to be strengthened. This can be done with the cooperation with other housing agencies under them. The development of more affordable houses should be their focus which can be enhanced through collaboration and engagement with other government agencies. More efforts should be taken in the

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development of affordable houses that can benefit the young generation. A lesson can be learnt from Singapore whereby the government is committed to build and run the public housing sector in serving the nation development (Heo, 2014). Singapore has successfully created a housing model through a joint effort between CPF and HDB with the ideas that by becoming homeowners and building homeownership as a long-term asset, households can secure their income stream over their life-cycle (Lee, 2014). Private sectors, on the other hand, can focus more on developing the market-driven houses.

> *"And for the government, they have their own agencies such as state agencies, PKNS, PR1MA, SPNB. We want government to take care of that sectors. Providing more affordable homes should be made by the government so that private developers can focus on market driven houses. So, government should adopt what Singapore has done for HDB flats. Everybody that fit into the income bracket criteria can get the house. Government has to take from the general market (from fiscal policy), then only can help young people. It is not healthy for the developers to focus on subsidies because of our limited budget. And it is not easy for us to sell the house to the high-end also"*
>
> (Officer A, REHDA/21 March 2016/10am)

6.2.4 Non-uniformity of housing distribution

Both Federal and state governments are concurrently handling all matters pertaining housing, whereby, the Federal government is responsible for the formulation of housing policies and strategies including housing targets and goals as well as issues relating to license and enforcements and financing facilities (Chan, 1997; Federal Constitution, 2010; MUWHLG, 2013; Shuid, 2015). States government, on the other hand, handle matters related to physical planning and housing investment in the housing development.

Despite a good housing policy, several informants argued that the implementation was poor and there is no uniformity on the housing allocation. Each of the agencies has their policy on housing. Agus (1997) criticises the housing policy in Malaysia stating that

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it is not the housing policy, but only a general statement that outlines the government intention to improve the housing situation of the people in this country by improving access to adequate and affordable housing. The informants, however, disagreed with such claims and made the following comments:

> *"Actually, we have a policy on housing in Malaysia. Every housing agency has the policies. But the question is whether you follow that policy or not. Sometimes when you have a policy, but did not follow, it looks like there is no policy. What happens right now is when we don't follow the policy, nobody cares"*
>
> (Officer A, PR1MA/10 March 2016/11am)

> *"Malaysia has a good policy on housing. The only thing is that the states are not listening or obey. Each of them has their own mind. For instance, Federal gives 7% discount, that is encouraging. Bumiputra set aside percent is 30%, but states disobey. Johor, Melaka and Penang have their own allocation. Melaka is 50% for Bumiputra. States have their own housing policy. Because the property of the land is the states, so full stop"*
>
> (Officer A, HBA/27 February 2016/2pm)

> *"Every state has own policy to build affordable homes, so there is no issue that there are no specific policies, but at REHDA, we have to follow the government policy*"
>
> (Officer A, REHDA/21 March 2016/10am)

Regarding the *Bumiputra* (son of the soil) quota housing policy, the practice is varied according to states. Some states imposed 30 percent housing quota for *Bumiputra* while other states allocated 50 percent or more (REHDA, 2016; MUWHLG, 2013). The federal government, on the other hand, does not impose strict guidelines on the housing allocation for either *Bumiputra* or other ethnicity, but the imposition of this rule lies in the power of the state's housing policy, thus, failing to create a comprehensive policy. The variation creates inequality in housing distributions between each of the states and has caused discrimination in housing sectors as the imposition of *Bumiputra* housing quota contradicts with the rights to adequate housing which has been outlined by the UN (2009).

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The housing distribution in Malaysia is also undertaken by different agencies. For example, Selangor initiated Rumah Selangorku, RUMAWIP in Kuala Lumpur, and so the other states and other relevant bodies as well. Since they are coming from different agencies and states, thus, there is different housing practice and no standardisation regarding housing distribution which may create inequality. Hence, this practice was argued to be inefficient in order to improve the housing opportunities for the younger generation because a group of people is being excluded from this agenda.

As argued by Levitin and Wachter (2013), lack of coordination in the US housing policy due to the fractured among various agencies has led to unclear housing policy goals. As such, there are no clear policy directions whether to maximise the homeownership, to maintain homeownership at a particular level, to facilitate rental system, or to encourage green and transportation oriented development. In Malaysia, the fragmented housing policy and practices among various agencies have led to unclear housing goals and the rise of inequality among the people concerning their housing opportunities. Three of the informants made the following comment:

> *"The housing quota is set by the states. Federal government states no rule for Bumiputra quota. And if the developers are not following, they are going to be penalised by the states. We don't take any action as we do not control this, we just monitor. Federal government just issues licences, but land is control by the states. So, I can say we are working in silo, they also working in silo"*
>
> (Officer A, NHD/3 March 2016/10am)

> *"Each of them (states) has their own mind. Since they have their own policy, it becomes quite confusing. This is not good for our housing industry"*
>
> (Officer A, HBA/27 February 2016/2pm)

> *"Policy cannot be implemented if there is no one enforcing the policies. But if housing is created and distributed by different agencies, which some of them are also part of the government, they also have their own way of managing thing. So, for me, enforcement matter. There is no strong control"*
>
> (Officer A, PR1MA/10 March 2016/11am)

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There is also an argument on the poor implementation of the housing practice in Malaysia as there are too many agencies in which the informants cited as too many ownerships involved, working separately and have their policies about housing. Even though we have MHUWLG, but the ministry does not directly control the housing agencies, thus there is a lack of cooperation between them. Since there is lack of monitoring from the central government and variation in their housing policies, thus, it supersedes guidelines stated in the NHP. Therefore, there is time for both the Federal and States Government to work together in producing more affordable houses that can enhance the housing opportunities of the younger generation. One of the informants added that:

> *"I think implementation wise, we have problem. Who is the rightful ownership to the house? I don't know, to some extent does not being evenly distributed. Probably influenced from the politics, or other thing. But other than that, I think Malaysia national housing policy is good, yet poor in implementation"*
>
> (Officer A, PR1MA/10 March 2016/11am)

6.2.5 Lack of coordination among housing agencies

It is vital to have proper coordination among housing agencies in providing good and clear housing policy (Levitin & Wachter, 2013). However, based on the findings of this study, the informant claimed that lack of cooperation between each agency involved was one of the factors that hinder the effectiveness of current housing policy and practices. The informants argued that there was no policy coordination and control for housing which leads to non-inclusive policy and schemes. Currently, there is no cooperation between agencies involved related to housing as they are working separately without any control from the central. As such, the housing policy and initiatives may neglect certain critical areas due to the absence of the information. For instance, the Act of Building

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Materials is under the Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK).

In term of a rental system, there are no agencies controlling it, which has caused problems to the renters concerning rental payments that are considered high especially in Klang Valley. The lack of protection among renters and landlords makes the rental tenure to be less attractive for them. Unlike in most developed economies where rental housing has become a major component of the national housing programme, a comprehensive rental policy is not established in emerging economies like Malaysia (Tan, 2013).

> *"We are working in silo. No coordination on policies and main policy for housing. Supposedly, if we want to make a policy, we need to cooperate and involved all. For example, KPDNKK (for building materials), Human Resource Ministry (for employees related) and other relevant agencies. So that the policy that we have made is more comprehensive and cater all. But what we do right now, we can only control the developers and the others is out of our hand. Unless there is one collaboration between all, then it will be more meaningful"*
>
> (Officer A, NHD/3 March 2016/10am)

> *"There is an issue that young people cannot afford to not only own, but also to rent due to expensive rental payment especially in Klang Valley, it can be more than RM1500. In Malaysia, no agencies control the rental system. We don't even know who control. But when it comes to housing, people look at NHD. Actually, it is under different ministries and the powers of that control is under different agencies"*
>
> (Officer B, NHD/3 March 2016/10am)

> *"For housing issues and specifically on high rental, there is no controlling mechanism on that. But we are currently identified it under Cost of living committee (Jawatankuasa Kos Sara Hidup) and it is still in the process of coordinating it"*
>
> (Officer D, NHD/3 March 2016/10am)

Also, the informants claimed that there are too many agencies involved in housing development. As discussed by the informants, in Malaysia, there are various and different agencies handling housing matters, for example, *Suruhanjaya Perumahan Negara Berhad* (SPNB), PR1MA, states institutions and a few other organisations. Furthermore,

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lack of data on the housing such as the demands of the houses, the supply side, the availability and other matters related to it, have made it difficult to identify the relevancy and genuine of available housing development. No specific agency at the Federal level is responsible to gather data on the demand and supply of the houses from each of the states in which has resulted in the lack of data coordination which can be used for the planning and development of affordable houses. Therefore, there is a need for a single agency to collect all data about housing from states so that an integrated bank data system can be materialised (MUWHLG, 2013). Thus, our role is to consolidate and set all the relevant housing information in the data bank, which is proposed as MYTEDUH so that everybody can have access towards it. If all these agencies are placed under a single umbrella or central government, then only the system is easily manageable. Below is the response from the informant:

> *"Now we try to develop MY TEDUH, data bank that consist of all information pertaining to housing so that we know whether the projects are actually genuine or artificial. Once we have this data, we can only know the demand from each of the states and the supply of the houses should be. Right now, if you ask how many demands of affordable houses in Selangor, we do not actually know as there is no data about it and do not know home many still do not have the housing opportunities. hence, this data bank is needed which will be fully set up in Sept 2017 and we look forwards to announce it soon"*
>
> (Officer A, NHD/3 March 2016/10am)

6.2.6 Housing information deficiency

It is important to have the knowledge, information and awareness about housing to avoid people from being discriminated in the housing market (Li, 2015; Teixeira, 2014; Visser et al., 2013; Noor Hartini, 2014). The present housing system of Malaysia lacks available information about housing. Some of the young people involved in this study claimed that there is lack of awareness on housing policy available in this country due to low publicity and promotional activities of the housing policy and programmes. They also believed that

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not the policy itself is to blame, but their self-ignorance leads them not to realise the benefits they may gain from the existing policy and schemes. Several respondents noted the existence of housing policy in this country:

> *"I know that government has come out with policy on housing. I just don't really know the policy well. I think because I choose not to know (mmmm….)"*
>
> (Tan/9 Oct 2016/4.30pm)

> *"I know there is a policy on housing but like me, myself, I'm not aware regarding it because as the one who needs home, I don't really know what kind of the policy government has proposed"*
>
> (Myra/18 Nov 2016/12pm)

Other than that, several respondents acknowledged the existing housing schemes provided by the government and other relevant agencies in assisting young people to own a house. However, among all the available schemes offered to them, young people in this study claimed that they only aware and recognise on a few housing schemes. The majority of them quoted PR1MA when asked about the existing housing schemes covering them, but, did not acutely aware the benefits they may obtain from this scheme.

Apart from that, several respondents discussed their opinion regarding the adequacy of the current housing practice that aims to improve housing opportunities for the younger generation. The participants agreed that the government has stimulated our housing industry by introducing various housing programmes and initiatives. However, it is deficient as young people are still facing challenges and difficulties in their pursuit to live independently, especially those in the urban areas. The Government intervention is needed to improve Malaysian housing policy further. Below are the selected verbatim regarding this issue:

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"For me, maybe government has made available all the housing schemes and assistance to the people. But when we look at the housing situation of young people who work and live in urban areas, we can say that the efforts taken are not sufficient to help them to have a home"

(Anas Mikael/17 Dec 2016/4pm)

"Since I worked in government sector, I know that I have government loan that enable me to own a house. But what I see, government failed to assist young people to own a house. This is because government cannot control the housing price in the market"

(Seri/15 Oct 2016/10am)

"I learned about PR1MA houses from the advertisements in TV. Then I realised that oh… there is a scheme that help those who cannot afford expensive housing. Other than that, I also know about states housing schemes but I don't know the information about it"

(Myra/18 Nov 2016/12pm)

The above narrative shows that despite various housing initiatives developed by the government and other related agencies, the information about housing matter failed to reach the public. They claimed that they do not know about the advertisement on affordable housing and also unaware regarding the requirement for housing assistance. Lack of awareness on housing policy and schemes was associated with lack of exposure and promotional activities. People often confronted with housing deficits due to the unavailable information provided by the relevant parties (Atiles & Bohon, 2003; Visser et al., 2013). Like selling products, once a particular policy has been governed or housing programmes and schemes were enacted, it should be conveyed to the public especially the targeted people. It is important to communicate the housing information on any matters related to the public, in this case, younger generation. Lack of promotions and information from the service provider (government or related parties to housing) to the grassroots level (young people) affect their housing opportunities and transition to adulthood.

Since we are living in technology savvy era, where social media is popular, the information of any housing programmes and housing schemes should have been made available and accessible to the public. Social media is proven as an effective tool in

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disseminating the information to the people without limitations. The difficulties in getting the information and knowledge on housing will no longer be an issue among the younger generation. Several participants noted the importance of communicating the information to the public to make people aware and recognised the existence and benefits of the housing policy and other housing programmes:

> *"For me, less promotion and information from the government itself lead to housing information drained. They are the one who responsible to disseminate the information to all people, either through electronic or printed media. Or else, they can take charge (turun padang) alongside the developers to promote the schemes or programmes. Face to face interaction is needed"*
>
> (Christina /10 Dec 2016/10am)

> *"Related government agency should make known in their website regarding housing schemes available to the young people. They should think on how to reach the people with all this information"*
>
> (Remy/18 Dec 2016/2pm)

> *"In my opinion, the current housing practice is not sufficient to increase housing opportunities among young people. the information about housing is there but not reach us. So, me as young people, I cannot evaluate because of I don't have much information. And one thing is in terms of implementation. The policy is there but not appropriately enforced. This is what happening right now. For me, social engagement is importance"*
>
> (Myra/18 Nov 2016/12pm)

> *"The way government and developers communicate the housing information are there, but the issue is whether the information is delivered and understandable by the people. It should be start from the beginning"*
>
> (Seri/15 Oct 2016/10am)

The housing information deficiency is agreed by the informants from the housing agencies. They declared that there is no specific department or unit handling all information related to housing such as how many affordable units for sales, the location of the houses, how many affordable houses under constructions, prices of the houses, housing procedures and so on. At this present time, there is no statistics available for the people to search for such housing information. Therefore, lack of information on these aspects limits young people ability to operate in the housing market which hinders their

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housing opportunities (Visser et al., 2013). There should be cooperation between Federal and the states in providing all this information to be consolidated into specific databank so that it helps young people to easily identify the options equivalent to their current housing needs. The issue was mentioned as following:

> *"There is no single umbrella to take all this info data into one single bank. We need information on pricing, housing qualifications, where the property is located and what sort of property available. We've made recommendation to ministry of housing to have one single umbrella to take all the required info. So now government is listening and they are now working on it"*
> (Officer A, HBA/27 February 2016/2pm)

> *"Young people need this information so that they can plan. For instance, I will be relocating to Rawang and if I have small family, I want an apartment. Thus, what I want to know is what are the price, where is the location and so on. That is the data that we are looking for. But what I know, there is no data available on this which is something that government should consider"*
> (Officer B, HBA/27 February 2016/2pm)

On the other hand, the informant from REHDA and PR1MA stated that initiatives had been taken by them to improve the knowledge of people in the home buying process and other housing information. REHDA has taken the initiative by providing the First Home Buyers' Guide containing all the required information regarding the process of home buying to facilitate the road to homeownership. It was a collaborative effort with all the participating private developers in giving the knowledge and experience towards this agenda. Overall, it can be said that REHDA has taken initiatives to further assist the people in their pursuit of adequate housing by supporting the government housing plans through the housing development.

Besides, to further improve housing knowledge among REHDA members, they also introduced the Guidelines on Housing Policies to keep members updated with the latest development in the housing industry so that members will keep on aware regarding the housing policies in each of the states. At the same time, PR1MA has produced

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PR1MA Home Buyers' Assistance Programme Handbook as a guide for people to homeownership. The objective is to ensure the compliance towards various state governments policies and legislations. It is mentioned as following:

> *"At REHDA, initiatives have been taken to produce guidelines on housing policy and home buyers guide handbook to educate and improve awareness among people regarding housing"*
>
> (Officer A, REHDA/21 March 2016/10am)

> *"PR1MA has taken various initiatives in educating people. one of it is through the handbook contain all the guidelines for the homebuyers and those who want to know about housing"*
>
> (Officer A, PR1MA/10 March 2016/11am)

As much as efforts have been shown by the government and other relevant agencies regarding housing provision in Malaysia, intervention can also be made by educating these people relating to their housing opportunities and available housing options in their pursuit of adequate shelters. Hence, knowledge on housing and financial management should be imparted at their early education. Following are the comments made by the informants:

> *"For me, these young people, being too new in the industry, we must teach them right from school days on how to face the real situations in the future, in terms of how to handle those housing challenges. In Malaysia, we only feed them with academic knowledge but preparation to enter the real working life is still limited. Thus, housing is one of the criteria that we must insert to them, not just to buy"*
>
> (Officer A, REHDA/21 March 2016/10am)

> *"Like in Europe. Those fresh graduates, they don't look into buying a house straight away. They are more to rental because within 5 years, they still want to enjoy their life, single and they still not sure where is their permanent working place, so, their money is spent for entertainment and holiday. So, after 5 years, they already stable and settle down, then only they look into owning house. I think in Malaysia also we are coming to that trend but still at the beginning"*
>
> (Officer A, PR1MA/10 March 2016/11am)

> *"There is always an assumption that if we don't buy a house right now, then the price will continue to rise up, thus, people buy without really look into their financial capability and their actual housing needs. That is why we must educate them"*
>
> (Officer B, NHD/3 March 2016/10am)

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"Maybe our education system need to insert one or two subjects on how to manage their financial once they join workforce. Some of them may get good advices, but some of them know nothing about this, thus spent unnecessarily. We need to feed them with the relevant info"

(Officer D, NHD/3 March 2016/10am)

6.2.7 Unaffordable housing market

Another aspect that the respondents pointed out during the interview was related to unaffordable housing market. The young people justify that there should be controlling mechanisms from the government regarding the housing market. Concerning affordability, housing market in Malaysia is rated as unaffordable based on annual household median income and median house prices as reported in KRI (2015). There are different claims that housing is still affordable, but increasingly inaccessible by the people due to the high price of housing in the market (Kadi & Musterd (2014). Since the housing price is too high, the government may need to intervene possibly to reduce the price of housing. Following are the comments from the respondents:

"I understand that government and other parties has assisted us by having all these housing schemes. But, constant monitoring is important by the government when it comes to this matter. Without constant monitoring from the government, the initiatives are just like a bitter dream and not effective because developers still can gain profits from hidden charges and fees"

(Anas Mikael/17 Dec 2016/4pm)

"For me, the current housing initiatives are not sufficient enough to help us to own. Government may revise the existing policy or schemes or proposed any new schemes that can benefits us. This is because we have limited resources, so it is quite difficult for us to own or even to rent at unaffordable price. Something need to be improved in terms of our housing provisions"

(Christina/10 Dec 2016/10am)

The respondents believed that it could be done through price controlling system. On the other hand, as KRI (2015) has argued in a report, 'Making Housing Affordable', the reduction in the supply of housing more than affordability level is needed especially in high densities states such as Kuala Lumpur, Selangor and Penang. However, the

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intervention made should focus on improving the supply sides, such as land use and its availability, information regarding housing stocks and land planning policy rather than increasing the demand for houses. As much as the factor such as affordability is important in determining access to adequate shelters, housing opportunities of the people are also much influenced by the housing policy and practices in one's country. The attractiveness of housing tenures is shaped by housing policies of that country (McKee, 2012). If the policy supporting homeownership is less significant for most of the people, thus, revising the housing policy and practice are needed so that it appears attractive to the people; especially those with housing problems.

Similarly, informants from housing agencies also expressed their opinions concerning unaffordable housing market. When discussing housing, informants mentioned the unaffordable housing market and the issue of affordability among the younger generation. The housing price in Malaysia keeps on increasing every day. With the soaring price of the houses in the market and the average income of the people, their opportunities to adequate housing are deficient. This group of individuals is at the disadvantage as they neither afford the free market nor eligible for most of the public housing programmes (Abdul Mutalib, 2013). As reported by KRI (2015), the average housing prices in Malaysia is more than four times the median income which indicates severely unaffordable housing market; especially in the main towns like Klang Valley.

The high price of housing, as claimed by the agency (NHD) has hindered the effectiveness of the current housing initiatives. Since the housing price is an open market and the government has not directed any forms of control over it, thus, it is hard for them to prevent the developers from simply imposing the housing price which is inappropriate to the young people. There is no price regulation in the Malaysian housing sector as

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housing price is predominantly set by the private sectors (private market) and other housing agencies which are liberal in characteristics.

> *"Our aim is to make sure 1 family, 1 house. But the biggest issue right now is ridiculous housing price. Government has control it through existing housing schemes. Nothing much we can do because price is determined in an open market and government has not control over it, unless developers go through the states, then certain states has control on it. For example, in Malacca, but it is more towards the affordable homes"*
>
> (Officer B, NHD/ 3 March 2016/10am)

Numerous factors influence the price of housing in the market. One of it is related to the costs of land. The price of the land is high; mainly in the city centres and their close neighbourhood. The situation has resulted in the increase in housing price. Besides, there is shortage of land for the development of affordable housing as most of the lands in the prime location are targeted for the development of commercial buildings.

As lands are controlled by the state government, thus it is difficult for other parties to obtain the land as states themselves have their land allocation for housing development. Therefore, state governments have flexibility in determining the housing quota based on the current demand in certain areas (MUWHLG, 2013; Federal Constitutions, 2010; NHD, 2010). Not only lands affect housing price, but it is also influenced by other elements such as construction and utility costs. On the other hand, a research conducted by KRI (2015) reports otherwise. The construction cost in Malaysia is decreasing, but the price is continuing to raise, thus no association with the drop in the housing price. The land issues were agreed by the informants, stating as follows:

> *"The housing price has gone up tremendously (around 50- 60%) and make it more difficult for common people to afford one. It faced by all level but more felt by the youth and wage earners. Based on our observation, land, construction costs and other things made house unaffordable to people"*
>
> (Officer B, HBA/27 February 2016/2pm)

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> *"The land cost is high. Now it increased to RM30 psf and it rise about 400%. People is talking about the price of the house, but it is the land cost that matter. People are not about the costs of the land because it does not affect the people, but affects the developers. That is why the developers transfers the costs somewhere else"*
>
> (Officer A, REHDA/21 March 2016/10am)

Lands should be given to the housing agencies for the development of affordable houses. It is important to get the lands at a reasonable price for them to supply more affordable houses to the citizens. To some extent, a lesson can be learned from Singapore where the government has used their lands for the development of public housing such as HDB Flats which became the pillar of Singaporean housing system (Ronald & Doling, 2010). Singaporean government has successfully and strictly controlled the land ownership to minimise any land speculation which gives opportunities for the Singaporeans to live at an affordable public housing (Heo, 2014; Park, 1998). Similarly, the land ownership has enabled Hong Kong government to provide massive public housing programs to their citizens in meeting their housing needs (Chiu, 2006).

> *'To me the main thing is the land cost. To get affordable homes, is to get land at affordable costs. Right now, even neighbour to neighbour land also different in terms of the price. For instance, in KLCC, the rate is RM5K psf and if you get the land at that cost, how can you sell affordable house and how many people can afford to stay in such location"*
>
> (Officer A, HBA/27 February 2016/2pm)

The issue of the land is further elaborated by an informant from PR1MA. The states and the Federal governments are competing to get suitable lands for housing development. The difficulties to obtain the land from the states have caused them unable to provide affordable housing relevant with the capability of the citizens. The state' governments also have their own housing development. Thus, priority is given to their projects rather than the others.

> *"To do project, we need land. For states, they would not give prime land to other housing agencies. So, for me that is the issue. We are not given any land and they are not willing to help us with the land. So, for me land is the issue as they are not willing to help us with the land. So, how can we build*

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affordable homes at expensive land. It's crazy right, land is more expensive than building"

(Officer A, PR1MA/10 March 2016/11am)

The concern on the allocation of government lands is further expressed by an informant from REHDA. He argued that if all the government lands are converted for the development of affordable housing, there would be no issues of shortage of lands and escalation of housing price. Hence, it can improve housing opportunities for the younger generation to own a house. The concern has been quoted as follows:

"First, all the affordable houses must be built at the government land. Government should look at their land bank. Supposedly, all the government land, especially the strategic land cannot be privatised, and the priority must be given for public housing or public areas"

(Officer A, REHDA/21 March 2016/10am)

Additionally, another informant agreed that public housing should be built on the government land and focus must be given towards the development of affordable housing rather than commercial projects. Nevertheless, the current development in this country is focusing towards the development of multi-mega projects such as conference halls, business centres and malls. As such, the desire to provide more affordable housing development is inadequate as the concentration is given towards the profit-oriented business. In a purely capitalist country, land speculation is likely to occur when the private interest dominates the housing market which often being used for the development of offices or expensive housing (Doling, 1999b).

Moreover, unlike other countries such as the UK, US and Singapore and a few other countries, our urban development system concentrates in one single area, thus, creating overcrowded and high congestion in that area. All the lands in the city centres are developed for the business areas which have led to rapid urbanisation in those areas.

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A similar situation occurs in China whereby their local government relies on revenue from the land lease; thus, resulted in high corruption related to a land acquisition that is associated with huge projects instead of affordable housing development (Zhu, 2013). Following is the suggestion from the informant:

> *"There are also government lands in place such as Sri Hartamas, Mont Kiara, but it has been converted for multi-mega projects. Conference halls are everywhere; they should have focus on building affordable homes. But what can we do, the power to build affordable homes is not there, so people continue to suffer. Many years ago, I spoke to town planner. There is a piece of land and all the approved commercial areas is in the KL city and then Jln Tun Razak is the perimeter. I told that approval is needed for be commercial areas to be outside the city because if all commercial areas are inside the city, it would be congested. But, it remains silence. I find that actually there are many hidden agenda, not for people, so unfortunate for the people"*
>
> (Officer B, HBA/27 February 2016/2pm)

It is important to obtain the public opinion on the local plans. As such, there are several sections stipulated in the Town and Country Planning Act, Malaysia (1976) which outline the provision for publicity in connection of the structure local plans. For instance, Section 9, 12 and 13 of the Act stated the opportunity given to the public to participate in the local agenda by giving their feedback, suggestions or rejections in connection of the draft local plans in their respective areas (The Commissioner of Law Revision, 2006).

As such, all the local authorities are responsible to publicise the information pertaining to this matter and obtain the public participation from their local people. For example, Selangor Town and Country Planning Department and Ipoh City Council have provided the information in their official website to the public regarding the publicity and public participation program organised at their area. It was organised to inform the public regarding their local plans and aims to obtain the public opinion on their planning (Selangor Town and Country Planning Department, 2018; Ipoh City Council, 2018).

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Similarly, in Singapore, the practise of public participation has widely been conducted. Every piece of land will go through a public survey to obtain the public opinion regarding the structure, the development and other matters related to the land. As such, any development in that land will only be made based on the consensus made earlier. One informant has explained the practice:

> *"In Singapore, they will get the public opinion regarding the use of land. For example, some structure plans, some proposal is viewed by the public and once agreed, then government will plan what can they can do and what not on every piece of land. So, for investors, if they buy land, they already know what they can build on that land. In Malaysia, we are pushing them regarding this, but you know, everybody has own agenda. So, what I can say, housing issues cannot be resolved if the people in control don't change their attitude and mind. Because, the consistency, focus and commitment for affordable home is not there. Because the system is like that, then nothing much that we can do"*
>
> (Officer B, HBA/27 February 2016/2pm)

Nevertheless, the public participation in Malaysia in relation to this matter is still at a minimum (Zikri, Tarmiji & Aziz, 2015; Suzei, Rugayah, Shamsinar, Nursyahida, Ahmad Shah & Saidatul, 2015). Possibly, it is worth for the local authorities in Malaysia to promote and create extensive awareness among the public regarding their opportunity to participate in any of the local plans at their area. Thus, it can improve the level of public participation in the government development plans.

Beside land matter, the increase in other construction costs such as building materials, wages and labour and utility charges have triggered high housing price that is seen beyond the affordability of the people; especially the younger generation. Therefore, with the high cost of living, financial commitments and unaffordable housing price, they face difficulties to enter a housing market. The rising price of accommodation and the shortage of affordable houses in the market affect homeownership, thus, forcing them to rent (Tan, 2013). Following are the comments:

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"Utilities charges bumping out the housing price. For instance, TNB, they want to change all the pipes to stainless steel and we have to bear the costs because of increased in utilities charges"

(Officer B, HBA/27 February 2016/2pm)

"Now, salary increment is not equal with the high cost of living, making them cannot afford a house. If income increase, they wouldn't be an issue to the young people especially those who wish to own. But of course, if you want income to increase, the productivity must also be increase and if you want to increase productivity, then young people must change their attitude and work hard"

(Officer C, NHD/3 March 2016/10am)

However, another informant who viewed that the housing price keeps increasing every year had suggested two perspectives that worth considering. One is on the side of homeowners, and the other is the buyers. As housing is viewed as an asset for wealth creation, the expectation towards price increasing seems viable. On the contrary, it becomes a challenge for the buyers. Hence, the current housing schemes and initiatives are initiated to assist them to have better housing opportunities. Also, a balance in the rise of housing price is vital.

"If we look at housing price, it continually increased, there is no chances of getting down. As homeowners, of course you want price to increase because if not, government will be blamed. So that is why we have all those initiatives to help them. In terms of price, we even better than Australia but Singapore is even better than us"

(Officer A, NHD/3 March 2016/10am)

Contrary to the above discussion, a research conducted by KRI (2015) has discovered interesting findings. As much as the cost of land influences high price of housing, the increase in housing price is, in fact, leads to the high price of land. Most of the developers are willing to pay for the new land price as the housing price in the market increases.

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6.2.8 Attitude of young people

Instead of blaming the policy and the government, some of the participant highlighted that they should blame themselves. As much as states and other relevant parties have made efforts to communicate the information regarding housing to the public, due to their ignorance, the information has failed to reach them. A lot of programmes have been organised by the states alongside with other related agencies to promote any projects and housing schemes (PR1MA, 2016; REHDA, 2016; NHD, 2016). For example, PR1MA, REHDA, SP SETIA and other housing developers have for a long time organised series of a roadshow to communicate with the public regarding their projects, housing schemes and policy available to the public, in particular for the younger generation. Not only that, REHDA has regularly organised a Property Expo, known as Malaysia Property Exhibition (MAPEX) as a platform for the developers and participating banks to showcase their projects and services. This initiative acts as a platform to share valuable information regarding housing to the people.

Other than that, the developers and banking institution have taken the initiative to make sure that updated information is uploaded to their company websites. The purpose is to create an opportunity for the people to search for available housing and to know more about the procedures for buying and any other matters related to housing. It also aims to increase their awareness and knowledge on housing as to facilitate their housing transitions and at the same time help them to achieve their independent living.

However, many people still do not know and aware regarding certain housing programmes and schemes initiated by the government and other relevant agencies. To some of them, their lack of understanding of the procedures involved in buying a house affects their housing opportunities. Therefore, we cannot blame the states and other

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related parties for not communicating the housing information to us, but young people themselves who choose not to take advantage of that opportunity. The respondents were cited as follows:

> *"I think the policy on housing and other housing initiatives have been initiated attractively by them. The problem lies in the attitude of young people who ignore and do not search for more"*
>
> (Christina /10 Dec 2016/10am)

> *"Government has given the information, and for young people, it is our responsibility to ask and dig the information so that it is understandable by us. If we just wait for the information to come, then forever we'll end up blaming on others"*
>
> (Seri/Oct 2016/10am)

> *"All information related to housing should be made available and expose to the young people. The government needs to deliver the information, and for young people themselves, need to search and dig more for the information if they really want to own"*
>
> (Tan/Oct 2016/4.30pm)

> *"During my visit to sales office, I've learnt that there are many housing schemes promoted by government to help the young. So, what I need to do is find out which one fits me the most"*
>
> (Remy/Dec 2016/2pm)

The respondents highlighted that young people transition to living independently either by renting or owning is linked with good housing schemes and initiatives from the government and other agencies. As such, there should be a two-way communication between the service providers, in this case, are the states, housing developers, financial institutions such as banks and other related Non-Profit Organisation (NGOs) like House Buyers Association and a few other parties with the people at the grassroots level (young people). If the information about housing has failed to reach the targeted group, it might result in less housing opportunities.

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There is also a high possibility that young people make a mistake in their housing choice since they are perceived as inexperienced, incapable and immature (Rugg, 2010; Rugg & Quilgar, 2015). The majority of the respondents raised their concern about the housing policy and initiatives that seem ineffective in helping young people to have a home either through renting or homeownership. Those interviewed described:

> *"There should be a two-way communication between government and the people. even though there are many policies and schemes, but if it is not well-informed, then how can we have that opportunity? It looks good on paper, yet poor implementation"*
>
> (Myra/18 Nov 2016/12pm)

> *"As for me, the policy is there, complete with all the packages. I mean policy on housing, programmes, initiatives are there to assist people regarding housing opportunities, but what I can say, it does not cover all because there are being excluded"*
>
> (Remy/18Dec 2016/2pm)

From the perspective of the housing providers, they stressed on the attitude of young people. The housing issues cannot be resolved in a short period of time. As much as the government has put their best to serve the housing needs of the people, young people themselves must also change their attitude and lifestyle. They should know their actual needs. Consideration should also be made for the location of the house if they prefer to own. Instead of preferring to own in urban areas where the property price is high, they may look for other housing options so that by any means, the opportunities are still there.

> *"I think the housing issues cannot be fixed with one button. I think young people lifestyle, how they discipline themselves, how they manage their salary, need to be look also. For example, you need a house but want to live in KL. It is not viable. It is not about construction costs, it's a land that kills you. So, if they cannot afford, they should consider other options, such as government houses. of course, la the quality, location is not in urban and their facilities is not up to their preferences, but at least they have a house to live in"*
>
> (Officer A, PR1MA/10 March 2016/11am)

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The informants from REHDA and NHD agreed with the above comment. Critics are given towards the attitude of the young people. Affordable houses are available in the housing market, but, there is lack of accommodation opportunities due to the attitude of the young people which has led to various housing problems. This generation is being criticised for their lavish lifestyle. Many of them prefer to buy a car instead of houses at their early career. Moreover, lack of awareness on housing alongside with Asian culture that focuses more on homeownership, affect their housing opportunities. Their mind-set has to shift and ready for other housing options. Instead of owning, young people may opt for renting due to the instability of the housing market and affordability factor. As they face with a financial burden, renting houses is more practical until they are ready for such financial commitment that can last up to 30 years (Johari, 2017). The idea is further agreed by several informants:

> *"Our housing paradigm has to shift. The mentality of people about housing needs to change. Don't think about owning until the rest of your life. You must accept that when you young, you may settle at 1 room studio apartment and as time goes by (married), you may opt for 2 bedrooms. You change your accommodation as your family grows"*
>
> (Officer A, PR1MA/10 March 2016/11am)

> *"Young people should start with renting first, then as your financial increase, then only you think about owning"*
>
> (Officer B, NHD/3 March 2016/10am)

If they still prefer to own rather than renting, buying from a secondary market is one of the many options they have. As such, to guarantee that they have that affordability and accessibility, they must change their lifestyle and focus on other options that best suits their housing needs. In more advanced countries like European countries, though many housing schemes supporting homeownership are initiated, better regulation of the rental system can also be found (Heath, 2008; Hoekstra, 2003; Kemeny, 2006). Contrary with Malaysia where the culture of homeownership is widely accepted, young people in

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European countries favour renting as they do not want to increase their financial commitment (Clapham, Mackie, Orford, Thomas, & Buckley, 2014; Hoolachan, McKee, Moore, & Soaita, 2016). The most important idea is that everybody should have an adequate shelter regardless of any housing tenures. As such, they prefer to rent first until they reach certain affordability level.

> *"Young people should change the way their think. Instead of owning such house, it is better for them to rent as at the beginning of their employment, they might have to move to other places several times. So, maybe they can rent at towns first, then as time goes by, they can buy at a strategic place once settled themselves. But of course, if you ask people, they would prefer to buy, so educate them is necessary"*
>
> (Officer D, NHD/3 March 2016/10am)

> *"Young people must have awareness if they want to own. They have to sacrifice other things such as using imported cars or spending for expensive coffees. They cannot straight away buy a car once they start working, they have to learn to use public transportation. But in Malaysia, car symbolise social status. This is something that we have to change and feed them with the required information (financial management, housing advise and so on)"*
>
> (Officer B, NHD/3 March 2016/10am)

> *It just that sometimes this young people they want a classy lifestyle. They should start with renting first or start with small house, then think to own. If they simply want to buy a condominium with swimming pool, of course they have to think on their affordability. They are various options, but they cannot be too choosy. For me, the supply is there, but their attitude and income matters"*
>
> (Officer C, NHD/3 March 2016/10am)

> *"We don't actually know their housing needs. Of course, we know their need is to own a house in the cities. But we don't have that capacity. They prefer new house, not a second house while at the same time there are many affordable houses available in the secondary market"*
>
> (Officer A, NHD/3 March 2016/10am)

An informant from HBA suggested the idea of renting instead of owning for the young people who are unable to own. Many of Malaysians face difficulties to survive in the open market due to unaffordable housing price (MacDonald, 2013). Hence, if the condition does not permit young people to own a house, other housing options such as

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renting is practical. Young people must be ready to accept other alternatives in their pursuit of adequate housing. This is mentioned as following:

> *"I feel that whether young people should buy, or rent depend on their economic condition. You don't try to buy something that you cannot afford, and we can't also rent something that is too high. But generally, rental will help you to buy during your early career whereas homeownership, you must come out with the loan and some of them cannot afford unless you are very well paid. So, if you cannot afford, then, rent. You must change the way you think. In fact, in overseas as I was told (I could be wrong), a lot of young people only rent for their whole life because they don't want to buy. Why? Some don't want to be trapped and come to any difficulties, so they prefer to rent. So, for me, to own or rent, it depends on your economic circumstances"*
>
> (Officer B, HBA/27 February 2016/2pm)

6.2.9: Summary of factors contribute to the deficiency of the current housing policy and practices in Malaysia

Concisely, there are limitations of the current housing policy and schemes in Malaysia. First, the present housing policy and schemes are not inclusive. Most of the housing programme especially public housing program favours towards the lower-income group (B40). Other existing housing subsidies and schemes as discussed in Chapter 3 covers part of the segment of the middle-income group (M40), yet made the other group of middle-income (between M40 to H20), excluded from enjoying such benefits. It can be seen from their coverage of the housing schemes which covers people from RM2500 to RM10, 000. Even though those earning more than RM10,000 seem capable of owning a house, nonetheless they also suffer in the housing market as their income does not match with the housing offered in the housing market as most of the newly launched houses price more than RM500,000 (KRI, 2015). Apart from that, affordable housing in the existing housing market is open to all levels of income, and this limit housing opportunities of the young people as there is stiff competition between them as the trend of the previous generation, who has more financial resources and buying for their children is prevailing in Malaysian housing market.

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Second, the current initiatives fail to respond to the actual housing needs of the younger generation. Having a pro-home owning policy, most of the existing housing schemes focus only on owner-occupation rather than other housing tenures that fit the actual housing needs of the younger generation. On this note, the government and other housing agencies overlook at different tenures which might be more relevant and suit with the current housing situations. The housing policy system in Malaysia is not supporting the supply of the private rental system, and there is no provision for the rental subsidies (Hirayama, 2012). Although the government has come out with certain housing initiatives related such as the introduction of RTO and allocations of houses for rentals, nonetheless the provision is regarded as marginal. The coverage is still limited, and the implementation-wise is still understated. Also, there is no price regulation and monitoring for housing in this rental system. The landlord is free to decide the monthly rent as no maximum limit sets by the government. The practice burdens both renters and landlords due to the absence of guidelines in the rental system. With that, the current practice is regarded as liberal in characteristics (Hoekstra, 2003).

Third, the government and other housing agencies have facilitated the development of affordable housing which can be seen from their involvement and roles in Malaysian housing system. We can say that the government has intervened in every stage of housing provision starting from housing development, housing construction and housing consumption. The government, both Federal and States level, play a major role in housing development, ensuring allocation for housing in their annual budget is consistent with allocation in other sectors. However, unlike other East Asian countries, the government concentrates more on the housing development for the low-income group while private sectors dominate the housing market for the other segments. As Singaporean government and some European countries have spent massively on the public housing

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programmes to ensure their citizens can have access to decent accommodation, the housing provisions, for the younger generation, is still deficient.

Regarding housing construction, both public and private are involved at this stage but the building of housing is dominated by the private sector. The government, on the other hand, participates in the construction of accommodation for public housing through selected government housing agencies such as state agencies, SPNB, CAGAMAS, PR1MA. Comparable to South Korea and Taiwan, housing consumption is closely correlated with people's ability to pay (their economic resources) and market forces rather than the needs (Doling, 1999b; Doling & Ronald, 2010). Housing is perceived as a commodity, thus viewed as highly commodified with strong marketisation (Shi, Chen, & Wang, 2015). Moreover, there is lack of coordination among housing agencies and a non-uniformity of housing distribution among states and other housing agencies as they are working separately without any control from the central. As such, it hinders the effectiveness of current housing policy and practices. There was no policy coordination and monitoring for housing which lead to non-inclusive policy and schemes.

Finally, the findings, uncover that it is not only the supply of affordable houses that becomes constraint but the financial capability of the people. The housing supply is considered sufficient in the housing industry, but limited financial resources of the younger generation limit their housing opportunities. Due to poor financial credits, high financial commitments and expensive lifestyle, access to adequate housing is somehow limited. Even there are established housing policies and schemes, their ignorance regarding housing and lack of housing knowledge have made their pursuit of adequate housing even tougher.

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6.3 Factors Influencing Housing Opportunities among Young People

This section analyses the opinion of young people on factors contributing to housing opportunities among them. Analysis on the Likert scale data is carried out by looking at frequencies, median and mean of the data. The Independent T-Test and One-Way ANOVA analysis were conducted to compare the differences of housing opportunities between groups and elaboration on factors such as affordability, housing knowledge, location and structural which are believed to have an influence towards housing opportunities of the young people are provided. The aim of this analysis is to examine the association between the factors as mentioned earlier. The Pearson Correlation Analysis and the Multiple Regression Analysis are used to identify which prominent factors among those identified have the greatest influence on housing opportunities for young people. It is important to know the association between the variables because it guides the discussion in determining whether all the factors mentioned above influence the housing opportunities among young people.

6.3.1 Affordability

Table 6.4 to 6.7 show the distribution of answers for each of factor contributing to housing opportunities among young people. It appears from Table 6.4 that almost all (99.8 percent) of the respondents agreed that housing should be made available and affordable to all income levels to ensure that everybody has equal access to adequate shelters. Half of the interviewees (51.7 percent) claimed that they cannot afford to buy a house in the housing market based on their current income. Meanwhile, another 43.7 percent of them viewed that they could afford to purchase a house in the market based on their earnings. The data represented the population of young people who earn a monthly income of more than RM6, 000.

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Findings also reveal that more than half of the respondents (53.5 percent) do not have sufficient income to save for the housing deposit due to other financial commitments. However, 49 percent of the interviewees believed housing in their neighbourhood is relatively affordable while 36.7 percent stated otherwise. Even though there is an issue of an unaffordable housing market, majorities (74.5 percent) believed that they can still have access to rental accommodation at an affordable price. However, the respondents were more concerned on high monthly loan instalment which they believed may affect their ability to own a home. This opinion is indicated by a majority (98.5 percent) of the respondents, saying that the high monthly loan instalments deter their chances to own a house.

Besides their fixed income, other assets such as savings, investments and assistance from parents significantly influence young people capability to own or rent a house (Deng, Hoekstra & Elsinga, 2016; McKee & Hoolachan, 2015; Li, 2013; Yip 2013). The finding is in line with the results of the study indicating the vast majority of the respondents (95.4 percent) agreed that other savings or investments facilitate their housing opportunities, thus helping them to achieve independent living. They believed that they are financially strong to enter the housing market if there is support from their parents which consequently improve their housing opportunities. The finding supports past studies claiming that young people without family support face difficulties to access adequate housing especially if they have no stable income (Hoolachan et al., 2016). Young people who stay longer at their parents' house tend to inherit the housing assets of their parents (Hirayama, 2012). The importance of family helps is further discussed by Angelini, Laferrère, & Weber (2013) that shape housing opportunities among European younger cohorts.

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Table 6.4: Housing Affordability

		Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)
1	Housing should be made availabe and affordable for all income.	0	0	0	0.3	22.7	36.9	40.2
2	I can afford to buy a house offered in the housing market based on my current income.	7.8	24.5	19.4	4.5	23.0	16.9	3.8
3	My income is sufficient to save for the housing deposit.	6.8	23.5	23.2	6.6	22.0	13.1	4.8
4	Housing in my neighborhood area is relatively affordable.	6.1	11.9	18.7	14.4	28.3	16.9	3.8
5	Even if i cannot buy a house, i can easily access to rental accomodation at an affordable price.	0.5	3.0	9.6	12.4	41.9	27.5	5.1
6	High monthly instalment deters young people ability to own a house.	0	0	0.5	1.0	30.6	44.7	23.2
7	Other than monthly income, other assets (savings/investments) influence the ability of young people to own or rent a house.	0	0.3	1.0	3.3	33.3	44.2	17.9
8	Parental wealth (asistance from parents) also influence the ability of young people to own or rent a house.	0	0	1.3	4.0	28.0	44.2	22.5

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6.3.2 Locational

The location also plays a significant role inducing young people housing opportunities. Not only houses should be made affordable, but they must also be in safe and secure places, with basic amenities and facilities such as malls, schools, hospitals within reach and have a good transportation system. According to the United Nations High Commissioner (2009), adequate housing must be affordable, located at an excellent location with a security of tenure, access to housing financing and has flexibility and appropriate choices.

The notion of adequate housing as pointed out by the UN is applied in Malaysian housing development. This can be seen from the findings that indicate majorities (86.8 percent) of the respondents agreed that their house is located at a safe and secure place, free from any pollution or potential harms, accessible to public transportation, near healthcare facilities such as hospitals or clinics and equipped with parks and community facilities such as mosques, temples and churches.

The findings of this study are parallel with a survey carried out by Nor Malina and Azrina (2012) regarding home ownership among the middle and low-income groups in Malaysia. Their findings show that majority of the respondents prefer houses that are located near the public facilities such as retailing stores, market, clinics, schools, public transportation and a children playground. Not only that, they can easily access other essential facilities such as banks, malls, shops and schools.

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Regarding the distance from their workplace, majority of them agreed that the distance is relatively acceptable. However, a small number (17.4 percent) of the respondent claims that their houses are located far from their workplace (Table 6.5). The smaller percentage still shows the inadequacy of housing to a particular group of people. It may create unpleasant feelings among those commuting to their workplace as it eventually leads to housing stress.

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Table 6.5: Housing Location

		Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)
1	My house is located at safe and secure place.	0	0	4.8	8.3	54.5	24.7	7.6
2	My neighborhood is free from any pollution and potential harms.	2.0	4.0	16.2	9.8	42.4	20.2	5.3
3	The location of my neighborhood is accessible by public transportation.	0.3	3.0	11.9	4.8	43.4	25.8	10.9
4	The distance of my house to the workplace is relatively acceptable.	0.5	3.8	13.1	6.3	37.1	29.0	10.1
5	My neighborhood is located near the health care facilitites.	0	1.3	11.6	5.3	44.7	26.0	11.1
6	My neighborhood is equipped with facilities such as recretianal park and community facilities (i.e:mosque/templ es/church).	0	1.5	11.4	3.5	38.6	33.1	11.9
7	My neighborhood is located near the basic facilities such as banks, malls, shops, schools and restaurants.	0.3	1.0	10.4	3.3	41.2	32.6	11.4

N=396

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6.3.3 Housing knowledge

Besides affordability and locational factors, housing knowledge is claimed to have an influence on housing opportunities among young people. An analysis was conducted to assess the young people knowledge on housing. Data in Table 6.6 shows that almost 71 percent of the respondents were aware that information regarding housing schemes is made available on the government websites. However, another 23.2 percent disagreed with the statement and claimed that they were not become aware regarding any information on housing.

Concerning information accessibility, most of the respondents (64.2 percent) agreed that housing information could easily be accessed by them. Meanwhile, another 28.8 percent of the respondents argued that the information is available, yet, inaccessible to them. Overall, housing information provided by the government and other housing agencies is reachable by the people. For those with limited housing knowledge, it may be because of their ignorance or the medium of communication is not effective in disseminating the housing knowledge to the people.

As much as information regarding housing is distributed through various channels, findings show that only 28.5 percent of the respondents understood the process involved in buying a house. Another 34.1 percent argued that they do not understand the home-buying process due to the insufficient housing information. Nevertheless, the respondents recognised the support and assistance from the government and other relevant agencies in helping them to access to adequate housing. Half of the interviewees (55.3 percent) agreed that all housing initiatives by the government reflect their intention to assist housing opportunities of the younger generation. On the other hand, 35.5 percent

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of the respondents claimed that the government and other relevant agencies have failed to assist them in owning a house due to lack of housing information.

Since there are many housing projects developed by developers as well as other housing agencies, findings reveal that almost all the respondents (69 percent) were alert regarding the affordable housing projects in Malaysia. Meanwhile, some of them were not become aware of the affordable housing projects available. While the majority (63.4 percent) of the respondents declared that they understood the benefits of the existing housing schemes offered by the government, a few of them (27 percent) disagreed with the above statement. They argued that despite various housing schemes available for them; they have failed to understand the benefits of such schemes. However, they showed strong awareness towards the knowledge of the housing deposits as a majority (69.8 percent) of the respondents were aware on how much money they should save for the housing down-payment.

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Table 6.6: Housing knowledge

		Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)
1	The information regarding housing schemes are made availabe in the government/other housing agencies' websites.	1.0	3.8	18.4	5.8	42.2	23.5	5.3
2	I can easily access to the information on housing schemes availabe for young people.	1.0	3.3	24.5	7.1	36.6	22.5	5.1
3	I understand the process of home buying.	1.3	3.5	29.3	4.5	32.8	22.2	6.3
4	There is a support and assistance from the relevant agencies related to housing.	1.5	4.5	29.5	9.1	32.3	17.9	5.1
5	I am aware regarding the affordable housing projects.	1.3	2..8	18.7	8.3	41.4	22.5	5.1
6	I understand the benefits of the availabe housing schemes offered by government / other agencies.	0.5	3.5	23.0	9.8	35.9	22.2	5.1
7	I am aware regarding how much money i must save (i.e:deposits, booking fees) to own a house.	0.5	2.8	22.5	4.5	36.4	25.3	8.1

N=396

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6.3.4 Structural

Another factor influencing housing opportunities of the young people is the structural aspect. Data in Table 6.7 shows that half (54.4 percent) of the respondents agreed that there is a National Housing Policy (NHP) in Malaysia. The remaining (35.3 percent) of them claimed that they know nothing about NHP. Even though the percentage is small, it shows that there are groups of people who do not realise the existence of the housing policy in this country. The majority (73.2 percent) of the respondents only knew regarding certain housing schemes such as PR1MA.

The current housing policy in Malaysia are said to focus on specific group such as the low-income group only, is thus being criticised in terms of its coverage (Shuid, 2015; KRI, 2015). The housing provision in Malaysia focuses more on facilitating homeownership among the low-income group which can be seen from various housing provisions targeted to them. To improve housing opportunities among young people, there should be an engagement between the government and youth when designing any housing policies, schemes and initiatives that benefit the entire population.

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Table 6.7: Structural Factors

		Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)
1	I am aware regarding the National Housing Policy (NHP).	1.0	3.8	18.4	5.8	42.2	23.5	5.3
2	I am aware that there are various housing schemes and initiatives (i.e: PR1MA, Youth Housing Scheme, other housing schemes) to help young people to own a house.	1.0	3.3	24.5	7.1	36.6	22.5	5.1
3	A current housing policy emphasised in providing adequate housing to the specific target group especially the lower-income group.	1.3	3.5	29.3	4.5	32.8	22.2	6.3
4	Government should engage with young people in designing the housing options (policy, schemes and inititatives) that may suit their housing needs.	1.5	4.5	29.5	9.1	32.3	17.9	5.1
5	There should be a direct control from the government on the price of affordable houses offered by the private developers.	1.3	2..8	18.7	8.3	41.4	22.5	5.1

N=396

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6.3.5 Housing opportunities among young people

When discussing the housing issues lingering young people in this country, it is vital to know their opinions concerning their housing opportunities. From the data presented in Table 6.8, it shows that almost all the respondents (96.2 percent) agreed that they have the rights to enter the housing market. Despite many challenges faced by them as previously discussed in Chapter 3, they still believed that the National Housing Policy and practices allow them to exercise their rights to adequate housing. As argued by UN (2009), everybody must have the rights to adequate shelters, and no one can deny that right. Other than that, they also agreed that they have the opportunities to buy a decent house at an affordable price. They believed that supply of affordable houses is available in the housing market and the government from time to time is focusing on building more affordable houses which has been on their national agenda.

On the other hand, 47.4 percent of young people claimed that even though affordable houses are available in the housing market, they do not have that opportunity due to various housing constraints. However, even if they cannot buy, findings reveal that young people believed they could still rent a decent house at an affordable rent. Regarding the accessibility to affordable housing offered in the market, half of the respondents (52.5 percent) argued that the housing market is not readily available to them. The remaining (15.7 percent) stated otherwise. This percentage may come from those who earn more than the average monthly income. Thus, it signifies more buying power.

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Table 6.8: Housing opportunities

		Strongly disagree (%)	Disagree (%)	Somewhat disagree (%)	Neither agree nor disagree (%)	Somewhat agree (%)	Agree (%)	Strongly agree (%)
1	I have the rights to enter into the housing market.	0	0	2.5	1.3	53.8	33.6	8.8
2	I have the opportunity to buy a decent house at an affordable price.	3.0	17.9	26.5	3.0	32.6	13.1	3.8
3	Even if i cannot buy, I still can rent a decent house at an affordable rent.	1.0	2.3	11.4	5.3	50.0	22.7	7.3
4	I can easily access to affordable housing offered in the housing market.	2.0	16.7	33.8	3.3	28.5	12.9	2.8
	N=396							

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Further investigation is carried out relating to the reasons why they think they have the opportunities to own a house either through homeownership or renting at an affordable price. Findings of this study reveal that majority of them (68.7 percent) agreed that they have the opportunities to own or rent a home due to several reasons. For them, the opportunities to own a home can be achieved if the housing price is made affordably suitable with their economic situation. They believed that if their income is in tandem with the price of housing, it can widen their housing opportunities.

The concern was further voiced by Australians Generation Y that they can eventually own a home if their household income increases, inherit wealth from their parents or commit into marriage/partnership life (Bruce & Kelly, 2013). Not only that, the monthly loan payment and rental payment must be made affordable. Furthermore, they believed that if the location of the house is desirable and accessible, it would improve their housing opportunities. In the same study, the findings reveal that the location of the house forms an essential element of accommodation as Generation Y in Australia believe that living closer to their job and facilities reduces their transportation cost, thus lessen their financial burden.

Other than that, the respondents stated that if there are affordable housing schemes provided by the government together with other housing options, it may result in more housing opportunities. The present finding also supports Hirayama's (2012) study which concludes that young people need affordable rental housing before they can enter the homeownership. They not only focus on homeownership but also look for other housing alternatives. As argued by Deng et al., (2016), rather than focusing on getting homeownership, attention should be given to ensure everybody has an adequate shelter, regardless of any housing tenure. The preferences either to remain in the parental homes,

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getting to homeownership or private rented sectors, nonetheless depend on the country context (Filandri & Bertolini, 2016).

Apart from that, the respondents viewed the opportunities to adequate housing can also be achieved if they have stable jobs and income. They argued that married couple tend to have more housing opportunities than single people due to dual income which strengthen their financial ability. The focus towards dual-income households can be seen in Japan housing policy agenda before the adoption of the neo-liberalisation policy. At that time, their housing initiatives such as housing mortgage excluded the single household (Hirayama, 2012). Apart from that, the assistance from the parents is stated to be one of the reasons why some people have more housing opportunities than others. Some people can easily afford a home due to the assistance from their parents or relatives (Spilerman & Wolff, 2012; Angelini, Laferrere & Weber, 2013).

Young people believe that they have the opportunities to adequate housing because they are given the rights to enter the housing market as well as buying a decent house at an affordable price. Various housing schemes and programmes are initiated to facilitate their housing opportunities (Economic Planning Unit, 2016). In fact, the government in the national budget has from time to time increased the housing provisions, in particular for the younger generation. Through this way, it suggests that the rights and access to housing are available based on Malaysian housing provisions that emphasise on improving the accessibility to adequate housing among the people. Nevertheless, the previous discussion on the challenges faced by young people in their pursuit of adequate housing shows that even though the opportunities are there, but due to factors such as affordability, structural, housing knowledge or location, it hinders their housing opportunities and at the same time delays their transition to independent living.

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Further analysis using an independent sample T-test was conducted to compare the mean of housing opportunities between male and female. Findings (see Table 6.9) disclose that there is no significant difference in the score for male (M = 4.60. SD = 0.97) and female (M = 4.56, SD = 0.93) conditions; t (394) = 0.373, p = 0.709. These results suggest that gender/sex does not influence housing opportunities. It shows that whether the individual is male or female, both have the same housing opportunities. The finding contradicts with Blaauboer's (2010) argument that gender/sex influences the housing choices mainly in homeownership.

Table 6.9: Differences on housing opportunities based on gender/sex

Housing opportunities	**N**	**Mean**	**SD**	**t**	**df**	**Sig. (2 tailed)**
				.373	394	.709
Male	193	4.5972	.96856			
Female	203	4.5616	.92972			

Besides, one-way ANOVA test was also conducted to compare the mean of housing opportunities between more than two groups such as age, ethnicity, educational level, marital status, employment status, working category and income level (See Table 6.10 to 6.14). As shown in Table 6.10, 6.11 and 6.12, there is a significant difference between age (p =.000), marital status (p = .000) and income level (p = .007) on housing opportunities as the p-value is less than .05. Specifically, the results suggest that housing opportunities of young people differ according to their age. The mean score for young people aged 35 to 39 (M=5.10, SD= 0.67) is significantly different from those at the age of 20 to 24 years (M = 4.29, SD = 0.88). These results suggest that young people at this age enjoy more housing opportunities compared to those aged below than that. However, for another age group, there are slight differences only. Older people are argued to have more opportunities to adequate housing because they have more stable jobs, income and

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longer working experiences (Angelini et al., 2013). Older people spend less than the new workforce. This group of people has more stable income as they spend many years in the workforce with vast working experiences. Thus, they are said to be financially prepared to enter into homeownership (Deng et al., 2016).

Table 6.10: Differences on housing opportunities based on age group

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				11.000	3	.000
					392	
20-24	41	4.2927	.87839			
25.29	221	4.4253	.98458			
30-34	77	4.7825	.87392			
35-39	57	5.1053	.66973			

This study has found that there is a significant difference in housing opportunities among single, married and divorcees. It is important to look at the marital status as it has been a key component in differentiating their housing opportunities. As discussed by Izuhara and Hirayama (2010), accessibility and affordability to own a home can be determined from the aspect of marital status. Therefore, findings of this study suggest that respondents who are married have better housing opportunities and tendency to enter into homeownership due to the family size and strong commitment. Also, married couple are assumed to have more stable income with sufficient credits to access the housing market as compared to single (Bruce & Kelly, 2013; Hirayama, 2012). Comparatively, marriage is found to significantly affect housing opportunities among young people which determines their status as independent homeowners (Deng et al., 2016).

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Table 6.11: Differences on housing opportunities based on marital status

Housing opportunities	N	Mean	SD	F	df	Sig.
				15.439	2	.000
					393	
Single	265	4.4123	.94878			
Married	122	4.9611	.84674			
Divorced	9	4.3056	.75806			

Besides age and marital status, the finding of this study shows that income level determines whether young people have access to adequate housing or not. Young people with high income will have more ability to own a home due to their financial strength. Results suggest that when young people earn high income, they have more access to adequate housing as they are qualified for housing financing (Blanco, Gilbert, & Kim, 2016; Filandri & Bertolini, 2016; Li, 2015).

In fact, the existing housing schemes in Malaysia have set the range of income level for their eligibility requirements (PR1MA, 2016; EPU, 2016). Not only that, even to rent, it is also influenced by their income level as those with stable income can rent a house at a better place than those with less income. The effect of income on housing opportunities is further discussed by Filandri and Olagnero (2014) where they have found that households of a higher social class have better housing opportunities especially on homeownership than the middle and lower-income group.

Yang et al., (2015) have investigated the life of Shanghai people by looking at their affordability and social status. The study discovers that majority of middle-class citizens in Shanghai live in the high-end residential districts where access to services like elitist is easily available. On the other hand, the working-class people reside in the outer city, yet enjoying a high quality of life. For the low-income people, they live outside of the suburbs with very minimum facilities. Thus, it can be said that there is highly

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segregation of the location of their homes due to their ability to pay and social status they belong. As a result of this socio-spatial segregation, there is an unequal distribution of the urban resources with a huge gap between the wealthy and the poor.

Table 6.12: Differences on housing opportunities based on income level

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				2.469	10 385	.007
<3000	145	4.3310	.89165			
3001-4000	120	4.6250	.97177			
4001-5000	45	4.7833	1.08920			
5001-6000	31	4.8629	.74397			
6001-7000	22	4.7614	.83622			
7001-8000	11	4.4091	1.29070			
8001-9000	11	4.8409	.62523			
9001-10000	5	5.0000	.70711			
10001-11000	4	5.4375	.42696			
11001-12000	1	6.0000	.			
>12000	1	5.0000	.			

On the other hand, there are no significant differences between ethnicity (p =.078), educational background (p =.093), employment status (p =.083) and working category (p =.019) on housing opportunities. As shown in Table 6.13 to 6.16, the p-value is >.05, thus, signifies there are no differences between these groups on their housing opportunities. Findings suggest that regardless of the respondents' ethnicity (i.e., Malay, Chinese, Indian Bumiputra or others); all have the same access to adequate housing. There is no discrimination being imposed related to ethnicity in any of the government housing policies, programmes or schemes. Even though the statistics shows that there is inequality concerning income distribution among ethnics in Malaysia, however, their housing opportunities remain the same across all ethnics in Malaysia. Finding of the Household Income Survey, 2012 shows that the highest mean of monthly household income by ethnic is Chinese with RM6, 366, followed by Indian at RM5, 233 and the lowest is

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Bumiputra with RM4, 457 (Department of Statistics, 2014). Nonetheless, these ethnic groups entitle the same access to adequate housing despite their races. It is because access to adequate housing is determined by the ability to pay rather than the skin colours. The result contradicts with a study done by Pendell, Rolf, Freiman and Myers (2012) that discovers that ethnicity does influence housing opportunities among the people.

Table 6.13: Differences on housing opportunities based on ethnicity

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				2.115	4 391	.078
Malay	253	4.5049	.96528			
Chinese	85	4.6147	.82425			
Indian	49	4.9235	.91173			
Bumiputra	8	4.4688	1.49067			
Others	1	4.2500	.			

Other than that, educational level is argued to have an influence on housing opportunities for the young people. It has always been assumed that when a person has higher educational background, he or she is more likely to have higher income, hence making them easy to get access and able to afford and own a home or to rent the private accommodation. Meanwhile, people always make the assumption that those with higher educational background can afford to pay for the financing as compared to those with lower educational background (Filandri & Bertolini, 2016; Drew, 2015; Fu, Zhu, & Ren, 2015; Yu, 2006).

Interestingly, it is contrary to this study which has found no significant difference in housing opportunities based on their educational level. Opportunity to adequate housing (through owning or renting) is not influenced by the highest academic qualifications. Young people who were the primary or secondary school leavers have the same housing opportunities than those with tertiary education. There are among the

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primary or high school leavers who have successfully ventured into business activities that generate higher income than those wage-earners. Thus, these people can easily have access to adequate housing regardless of their educational background since the housing system in East Asian countries are commodified (Ronald & Doling, 2010), and the access to housing is determined by their ability to pay rather than citizenship or educational background.

Table 6.14: Differences on housing opportunities based on educational level

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				2.391	2 393	.093
Primary school	2	5.5000	.70711			
Secondary school	31	4.2984	.85249			
Tertiary	363	4.5978	.95228			

Furthermore, findings of this study indicate that there is no significant difference between employment status towards housing opportunities. Employment is essential to ensure that people have access to adequate housing and most importantly to loan financing. In any circumstances, employment reflects the social status of the individual and the affordability to access to adequate housing (Lennartz, Arundel & Ronald, 2016). Without a stable job, it portrays that a person has no income stability that will result to non-affordability of homeownership. However, the capability of having the opportunity to adequate housing must not merely based on the income but also other resources so that anyone without a permanent job or has just lost a job gets a better arrangement regarding their housing tenure, either through homeownership or any other living arrangements (Hoekstra, 2003).

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Results of this study highlight that regardless of people working with the public, private sector or self-employed business, they all have access to adequate housing. Working as a manager or being in a professional group does not guarantee their access to housing because those with a low working category such as skilled and unskilled also enjoy the same housing opportunities if they have the financial ability, better housing knowledge and good housing policy supporting them. What more important is that a person must be currently employed, has a stable income and better housing knowledge, then their opportunities to adequate housing are said to be high. It is because employment stability determines access to decent housing and mortgage financing (Filandri & Bertolini, 2016).

Table 6.15: Differences on housing opportunities based on employment sector

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				2.501	2 393	.083
Public sector	131	4.7214	.92177			
Private sector	255	4.5000	.94874			
Self-employed	10	4.7250	1.12083			

Table 6.16: Differences on housing opportunities based on working category

Housing opportunities	**N**	**Mean**	**SD**	**F**	**df**	**Sig.**
				2.566	6 389	.019
Manager	39	4.8269	.94964			
Professional/ technical	129	4.7597	.90969			
Office admin/clerical	137	4.5109	1.03161			
Sales and business	64	4.3047	.78868			
Worker/skilled-labor	4	4.4375	1.04831			
Labour/half-skilled	5	4.4000	.54772			
Others	18	4.3194	.86520			

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Further analysis is made to identify whether the above factors are associated with young people housing opportunities. Data is tested using Pearson Correlation Analysis to investigate the relationship between the two interested variables because the normality assumption of the variable met as stated by Pallant (2010). The relationship between each of the factors is presented in Table 6.17. Results of the correlation analysis show that Affordability (r (396) = .647, p <.001), Location (r (396) = .343, p <.001), Housing Knowledge (r (396) = .577, p <.001) and Structural (r (396) = .488, p <.001) are positively bivariate correlated toward Housing Opportunities. Thus, it indicates that there is a significantly positive relationship between all the employed variables in this study (affordability, location, housing knowledge and structural) towards housing opportunities of the young people.

Table 6.17: Pearson Correlation Analysis

	(1)	(2)	(3)	(4)	(5)
(1)	**1.00**				
(2)	.365**	**1.000**			
(3)	.598**	.349**	**1.000**		
(4)	.461**	.258**	.735**	**1.000**	
(5)	.647**	.343**	.577**	.488**	**1.000**

Note: (1) = Affordability; (2) = Location; (3) = Housing Knowledge; (4) = Structural; (5) = Housing Opportunities; n = 396; **p <.001.

The findings indicate that there is a strong relationship between affordability (r=.647) and housing knowledge (r=.577) towards housing opportunities. In terms of affordability, the results support evidence from the previous studies claiming that affordability factors such as financial resources influence housing opportunities of the young people. It has been argued that a person needs to have a stable income to own a home either through homeownership or renting (Filandri & Bertolini, 2016). Housing opportunities for the young people who have a high income are higher as compared to low-income households as discussed by Blanco et al., (2016); Li (2015). Young people with a higher income have strong tendency to enter into homeownership market earlier

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than low-income individuals who have limited financial resources. A similar situation occurs in the Philippines where findings highlight the influence of income in housing adequacy and affordability. A person's ability to own a home, either by owning or renting is said to be limited if they have unstable income as these housing tenures are correlated with having a sufficient income or wealth as posits (Roween, 2014).

In the capitalist country, the housing opportunities are much reliance on the market forces. Similarly, in Malaysia, there is a strong market intervention in the housing system whereby housing provision is initiated by private developers. This can be seen when the government has assigned the roles of housing for middle and high-income people to the private developers as discussed by Shuid (2015). Though the initiatives marked a success in facilitating these groups to adequate housing, nonetheless, housing consumption reflects the market power of the households (Doling, 1999b). Hence, it suggests that housing opportunities of the young people are greatly influenced by affordability factors rather than the social needs.

The influence of financial criteria has been further discussed by Doling (1999a) in evaluating the housing system in Eastern Europe. Even though the housing production is dominated by the state, however, access to housing is not based on non-financial criteria such as need. Rather, it reflects labour market position whereby higher income groups normally will get an access to the largest, best facilities at the best locations. This practice is often seen in a purely market-driven system, where the high-income households are able to enjoy higher quality housing than low income households.

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Since housing is considered as a commodity rather than social welfare, thus, consumption reflects the market power of individuals (Doling, 1999b; Grange & Pretorius, 2005). This analysis is much relevant to the situation in Malaysia and China where housing development is segregated based on the location. Therefore, young people with high affordability can have access to better housing environment with better housing opportunities. Housing opportunities of an individual are determined not solely based on the income of the individual, but where a person can live is determined by their social status and affordability of certain areas as discussed by Yang et al., (2015).

The influence of economic factors, such as household income, housing prices, required repayments on housing loans and interest rates in determining housing demand and opportunities among young people is further deliberated by Ellis (2003). As younger generation have become increasingly dependent on the market to fulfil their housing needs, policy discourse on housing for young people has been framed by the concern about affordability for first-time buyers. Such a desire for independent living may have existed for a long time but has been blocked because of high housing costs in the private residential sector. The high cost of housing in the market has resulted to the incapability of the young people to own (Yip, 2011). This situation also happened to young people in China whereby a study conducted by Zhu (2013) has found that younger generation face various housing problems due to the increasing price of housing and unfavourable institutional arrangements. For the young people to exercise their rights to housing, having a stable income is necessary as it marks their capability to enter into the housing market.

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A study in the local context also finds that household income and individual level of monthly incomes are necessary to determine the housing affordability among Generation Y (Bujang, Jiram, Zarin, & Anuar, 2015). Furthermore, in a study done by McKee and Hoolachan (2015) among the younger generation in Scotland has identified that for the individuals to become homeowners, the parental supports and employment are two important determinants of the individual success to homeownership.

Besides, lack of housing opportunities for the young people in Malaysia is also resulted from the higher price of the house. In comparison with a decade ago where the property was considered affordable, the current average of housing price is severely unaffordable especially in Klang Valley (KRI, 2015), whereas salaries of young adults have yet to catch up with the hike in housing prices. Hence, affordability is the priority and concern of young purchasers (www.pr1ma.com.my). Bessant and Johnson (2013) further highlight the affordability issues in their study among young Australians. The study has found that young Australians are being denied in their housing opportunities due to the increase in housing price and the issue of affordability. Similarly, since young people are facing with affordability issues, young people in Hong Kong choose to live with their parents due to expensive houses in the market (Li, 2013).

Even if there are affordable houses in Malaysian housing market, yet young people often face difficulties to pay for down-payments as most of the houses offered require the purchaser to pay for the down-payment or deposits. In fact, the rental tenure also requires the tenants to provide the deposits before they can live at such places. Furthermore, the lease payment is also very high, especially in urban areas. Thus, those relying on the private rental housing are said to suffer from the high rental payment because they spend more than 30 to 40 percent of their monthly income on rent. Such

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situation can also be found among the middle-income group in Dhaka where they suffer from affordability problems and low income to maintain their living (Chowdhury, 2013). This issue is further stated by Yip (2013), that the first-time buyers in Hong Kong have faced constraint concerning down payments especially among those who are relatively new to the workforce.

Besides affordability factors, the relevance of housing knowledge in influencing housing opportunities of the young people is supported by the current findings. Results indicate that there is a significant positive relationship between housing knowledge and housing opportunities ($r (396) = .577$, $p <.001$), whereby the relationship is described to be strong/large. It has been argued somewhere that young people need all the information on the home buying process before they can decide to own or rent. The information such as the availability of houses in each of the states, home buying process and availability of the housing schemes for the lower and middle-income groups must be easily accessed by them. The information related to the housing schemes and initiatives must be made available through the government websites and other housing agencies.

Nevertheless, housing practice in Malaysia is argued as incapable of providing the opportunities for the young people to access to adequate housing due to the lack of information on the housing projects and housing schemes offered by the government. Despite the government's approach to improve the housing opportunities of the people through the introduction of various housing schemes such as PRIMA (Perumahan Rakyat 1Malaysia), People Housing Programme, Homeownership Programme, My First House Scheme, Youth Housing Scheme and Rent-to-Own Scheme, there are still significant number of people who are not aware of those schemes and some of them do not even understand the benefits they can gain from such schemes. As argued by Atiles and Bohon

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(2003), young people who do not know about the advertisement or information on affordable housing and are unaware regarding the requirement for housing assistance often face difficulties of meeting their housing needs. It is due to the unavailable information provided by the relevant parties. Even if the information was claimed to be available, it has failed to reach the targeted group.

It is also debated by Saari (2014) that knowledge on the home-buying process including financial literacy needs to be exposed to people starting from the earlier age so that they can make a wise decision when deciding to own or to rent. Even though the government has extensively come out with various housing strategies and schemes such as Program Rumah 1Malaysia (PR1MA), Skim Rumah Pertamaku (SRP), Rent to own scheme (RTO) and many others as assistance for people to own a home, an abundance of Malaysians are still not aware of them. As a result, these people fail to seize the opportunity for adequate housing, which later affects their social well-being and disrupts their independent living.

Zyed et al., (2014) in their interview with the younger working households in Malaysia have found that the factor influencing their housing opportunities either by renting or owning is financial literacy. They claim that houses seem unaffordable due to lack of financial literacy. Since not everyone has the awareness and understanding about the appropriate financial management such as the amount of money they should save or invest in buying a house, their opportunities to adequate housing are then hindered.

Also, there is an argument stating that knowledge regarding the property market differs depending on their social status. The highly-educated people may have more opportunities than those with a relatively low educational level because those with high

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educational attainment are more exposed to information and resources (Visser et al., 2013). The fact was agreed by Meerts et al., (2011) who claim that knowledge of housing market opportunities differs between categories of people. Highly educated people may have more opportunities than those with a relatively low educational level because they might be more capable of finding and using information, and of dealing with the complexity of the housing allocation system. Knowledge enhances the probability of finding a new dwelling that meets the household's preferences. Some households also try to negotiate with the housing association for better housing conditions, and some have succeeded at this.

Findings from the in-depth interview with the young people as previously discussed (Subtopic 6.2.6) disclose that there is lack of information concerning the housing schemes or programmes available for young people in Malaysia. Hence, it hinders their housing opportunities as they do not have the awareness and knowledge of the process of purchasing or renting a house. Not only that, there is no database on the actual availability of the houses and matters related to it, thus making the information less valuable to them. Although the government has introduced several schemes and assistance programmes to ease their difficulties, many are still not aware. The concern raised as to what extent the systems are adequate in helping them to have a place to call home. It relates to a study conducted by Mackie (2016) regarding the main challenges faced by young people relating to housing knowledge. Thus, the government must ensure all young people can live independently and improve the availability and suitability of the housing for them.

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On the contrary, in other countries where all information on housing is made available to the public, information on housing property such as the availability of affordable houses, the buying process, and information on financing is less accessible in this country. Thus, knowledge on home buying, selling and renting should be exposed not only at the early stage of education but at the tertiary level. It then facilitates them in understanding the process of owning a home either as homeowners or renters based on their ability to do so. The guidelines can make the process easier and even quicker (Saari, 2014).

The importance of knowledge on housing is further highlighted by Noor Hartini (2014). The author indicates the importance of improving the awareness regarding the housing market. In a pursuit to live independently and access to housing opportunities, specifically on homeownership, young people need to improve their knowledge and skills regarding all aspects of a housing such as home-buying process, home financing procedures and other housing matters to avoid them from being trapped and discriminated in the housing market (Teixeira, 2014).

Other than affordability and housing knowledge, the location also plays a significant role in influencing housing opportunities among young people. It is consistent with the present findings which reveal that there is a significant positive relationship between location and housing opportunities ($r (396) = .343, p <.001$), with the relationship is reported to be moderate. Past studies have identified the influence of the location with the housing opportunities among young people. Tan (2012), in a study among younger people in Greater Kuala Lumpur shows that when someone owns a home; the location is significantly influenced by his or her housing opportunities, especially on homeownership. They prefer houses that are located near the facilities such as retail

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outlets, schools, recreational parks and the workplace. Furthermore, there is a need for the government to provide affordable houses in the strategic location where all the infrastructure, necessary facilities, and employment opportunities are there. Thus, the transition to independent living is much easier when houses are located near to the workplace or at least equipped with efficient public transportation.

Malaysian urban development is concentrated at one area that is in the city-centre where everybody comes to the city at 8 am and goes back at 6 pm for their work. The situation has resulted in high congestion and concentration at that area during that time. Due to this setting, young people prefer houses near to the cities where access to a workplace and other facilities are available. This is the reason why their housing opportunities are associated with the location of the house as argued by Yip (2013). Her study among young people in Hong Kong has found that that prime location is the main concern for the young people when choosing to buy or rent. They prefer the location of the houses near to the workplace or near their parents as well as near the facilities such as shopping malls and places for leisure activities. Specifically, they wish the location is along the railway lines as most of them rely heavily on the public transportation for their daily activities. Additionally, a flat in the urban areas is nominated as the most preferred housing type as the property appreciate faster in the urban compared to the suburbs.

As much as the locational preferences influence housing opportunities of the people, Hilber and Liu (2008) on the other hand highlights that since housing price in the urban areas is less stable than in the countryside, thus location is insignificant in explaining the housing opportunities of the people particularly on homeownership. This is because most of the respondents preferred to live in the suburbs rather than in the urbanised location. Even though the distance is relatively far from their workplace, it does

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not become a bigger issue since they use to commute daily to the workplace. Rather, they are concerned with the facilities provided at their neighbourhood. Malaysia is currently coming to this way whereby to some people, location is not the major concern, yet facilities provided matters. This can be seen from many of housing development are built outside the Klang Valley such as in Semenyih, Nilai and Rawang.

The above argument is consistent with a study by Atasya et al., (2015) regarding the issues of housing price in Malaysia by looking at factors such as structural, locational factors and neighbourhood characteristics. A study discovers that the price of housing is increasing due to locational factors. In Penang for instance, housing in the city centres is more expensive than outside city centres or suburbs. Hence, housing opportunities are said to be influenced by locational factors because most of young people could not afford to own a house at that location. The location of adequate housing, either in urban or rural areas must be accessible by every social class of citizens or permit access to employment opportunities and other essential facilities such as healthcare, schools, child care and other social facilities. Moreover, the housing must also be free from any pollution or harms.

Besides the reasonable price of houses, people search for housing that is good in quality and has access to other facilities with a security of tenure. They also wish for better access to housing finance and flexibility in various housing choices (Khazanah Research Institute, 2015). The above finding is consistent with a study by Bruce and Kelly (2013). They discover that Generation Y in Australia view housing as a place to create and express their identity, thus have high expectation on the location of their houses in their pursuit of housing opportunities. Young people prefer houses that are well-located, spacious, equipped with all the basic facilities and must be affordable and socially

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acceptable. This is because they believe that their personality reflects the location of their home and people often make judgement on them based on the location of their home.

A research finding by Hong (2012) also points towards the importance of location on the housing opportunities of the people, focusing on housing satisfaction. The finding indicates that people feel satisfied with a house that is close to the workplace (within 5km), yet, do not place great expectation to the distance of other facilities such as retailing centres, hospitals or sports centres. This is because the living distance from the workplace requires longer travel time and higher expenses.

Izuhara (2015) in her interview among young women in Japan discovers that factors such as accessibility, affordability, safe neighbourhood and vicinity to main facilities influence their housing opportunities. In contrast, although locational aspects play significant roles in determining the housing opportunities of the people, yet, a study conducted in Beijing discovers that housing programmes have failed to make housing affordable and accessible to the people. Even though China government provides housing with low price, there are no opportunities being offered to the public concerning the accessibility to the public services such as railway stations, schools and hospitals (Yang et al., 2013). After all, it is important to integrate the aspects of affordability and accessibility (location) to enhance the quality of life of the people.

Other than affordability, housing knowledge and location, many researchers have argued that the structural factor also plays a significant role in influencing housing opportunities among young people. It is proven from the findings of this study. The evidence suggests that there is a significant positive relationship between structural and housing opportunities ($r (396) = .488$, $p <.001$), with the relationship is reported to be

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moderate. The housing policy and other housing initiatives like programmes and housing schemes shape the housing constraints and opportunities among the younger generation (Yip, 2013). This institutional arrangement can be seen from the arrangement of the states on housing which falls under the pillar of social policy (Spilerman & Wolff (2011); Doling, 1999b; Mackie, 2016; Mulder, 1996). That is a reason why the government has made it important in their national agenda for the development of affordable and adequate housing either through rental or homeownership (Aarland & Nordvik, 2009).

In Malaysia, the effort can be seen from the development of the national five-year plan that outlines the provision for housing. As a result, National Housing Policy (NHP) was introduced with various initiatives and schemes to promote the housing opportunities mainly on homeownership among the citizens (MUWHLG, 2013; Wan Nor Azriyati; Kuppusamy; Doling & Noor Rosly, 2014; National Housing Department, 2010). The importance of structural aspects has been earlier debated by Esping-Andersen (1990). He claims that the size and accessibility of the housing are largely dependent on the institutional context in which it defines the welfare states.

In Malaysia too, we can see that the government focuses on the development of public housing to facilitate housing opportunities of the young people, which indirectly helps their transition to independent living. Similarly, in other developed countries like America, the affordability and the desirability of ownership are also influenced by the availability of social housing (Blanco et al., 2016). Either home-owning democracy or accessibility to affordable housing, Malaysian housing industry should play their roles in fulfilling the aspirations of the nation in providing a place to call a home for every citizen and consequently becoming a developed nation by 2020 as outlined by Peh (1991).

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It has been agreed that the national housing market policies determined the availability and affordability of the houses that address the needs of the people. However, as much as housing policy influence the housing opportunities of the people, the access to adequate housing is confined by their eligibility criteria such as household income. Higher household income gets better housing opportunities such as easy access to better houses than those with low household income as discussed by Visser et al., (2013). Even if the government regulates comprehensive housing policy, those with poor credit will still face difficulties in accessing to adequate housing.

Comparing with Malaysia, housing opportunities of young people in China are highly influenced by various factors such as demographics, political affiliation, organisational affiliation, regional affiliation and marketability. Deng et al., (2016) in their study argue that housing policy in China has failed to address the housing needs of the young people due to the culture and believe that young people should live with their parents rather than being independent. This, in turn, leads to unequal access to housing specifically on homeownership which later affects their social well-being.

Correspondingly, a result from a study regarding homeownership amongst young people in Europe claims that social policy has a significant influence on the housing opportunities of the young people. The tenure status of the young adults (either to rent or to own) is on the policy of the state. However, when there is minimal state intervention for the housing sector, the socio-economic structures such as their parental supports and solid job play dominant roles in shaping their housing opportunities (Filandri & Bertolini, 2016).

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As much as structural components play significant roles towards the housing opportunities of the younger generation, there is an argument towards this. The support from the government to this generation looks differently from the previous generation who climbed the housing ladder more easily. Instead, young people are struggling to get access to adequate housing in a pursuit to live independently (Lieberg, 2013; Ronald & Elsinga, 2012). In Malaysian context, we can say that housing opportunities among the generations are not significantly differed but highly shaped by the issue of affordability. It is important to realise, only recently housing initiatives for young people receive the government attention as can be seen from the inclusion of housing provision for this generation in the national budget.

At the same time, a study by Moreno (2012) shows that minimum government intervention in the housing sector has made the housing opportunities of Spanish people to be less viable, resulted to the delay in the transitions to adulthood and living independently. This is due to the limited nature of youth welfare policies, economic and labour market insecurities.

Referring to Malaysia, despite prior evidence that structural plays a significant role in housing opportunities of the young people, there are critics on the coverage of the state's housing policy. Many have argued that the housing policy neither comprehensive nor inclusive, thus, have triggered young people to rely on other factors to facilitate their transitions to living independently. Early study by Agus (1997) highlights that one of the biggest problems in public housing programmes is the absence of a complete, integrated and comprehensive policy. The Federal, State and Local governments hence, continuously face the problems in providing adequate housing, both on public and private housing due to the deficient guidelines and housing policy.

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The critics of housing policy are also discussed by Zhu (2013); that young Chinese are struggling with numerous housing problems such as unfavourable housing policy arrangements in which hinder their housing opportunities. This is due to the housing reform which has transformed from a socialist welfare housing system into a market-oriented housing system. Despite many have benefited from the restructuring, the changes have a profound impact on different social groups especially the youth. The new institutional arrangements have divided the social groups; the 'old people' and 'new people'. The arrangement for the old people is better as compared to new people whom they are only eligible to receive a certain portion of monthly housing allowance or subsidy for housing. As a result, these young people neither can rent nor can buy a house.

In contrast, since the housing price continuously to increase in Hong Kong, several suggestions have been made to the government; provide more housing options such as housing assistance to private homeownership, provide a youth hostel type of accommodation, relax rules for access to public housing, offer subsidies for private rental housing and the home ownership scheme for flats. With such assistances, they can enjoy better housing opportunities and at the same time facilitate their transition to independent living (Li, 2014).

To further examine the factors (Affordability, Location, Housing Knowledge, and Structural) that have the greatest influence towards Housing opportunities, Multiple Regression Analysis is used. Results in Table 6.18 indicate that Affordability ($B = 0.574$, $p < .01$), Location ($B = 0.093$, $p < .05$), Housing Knowledge ($B = 0.170$, $p < .01$), and Structural ($B = 0.124$, $p < .01$) are positively significant associated with Housing Opportunities of the young people.

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Table 6.18: Summary Results of Regression Analysis

Variable	B (SE)	beta	t-statistic	TOL, VIF
Constant	-0.219 (0.301)	-	-0.729 (NS)	-
IV: Affordability	0.574 (0.059)	0.447	9.660**	0.613, 1.630
IV: Location	0.093 (0.045)	0.082	2.066*	0.840, 1.191
IV: Housing Knowledge	0.170 (0.052)	0.194	3.251**	0.367, 2.722
IV: Structural	0.124 (0.056)	0.118	2.204*	0.459, 2.179

Note: Dependent Variable = Housing Opportunities; R^2 adjusted = .482; Model Fits = F (4, 391) = 92.717, p <.001; B = Unstandardized Coefficient; beta = Standardized Coefficient; SE = Standard Error; TOL = Tolerance; VIF = Variance Inflation Factor; IV = Independent Variable; NS = Not Significant; **p <.01; *p <.05.

The analysis indicates that if the average level of affordability is high, then the average level of housing opportunities is also high while controlling other factors to constant. The same conclusion can be made on the effects of location, housing knowledge, and structural toward housing opportunities. Therefore, if the average level of the location, housing knowledge, or structural is high, then the average level of Housing Opportunities will also be high, by controlling the respective variables.

Taken together, one of the most significant findings emerges from this study which is affordability (Beta = 0.447) that has given the highest influence towards housing opportunities among young people since it has the highest value of standardised coefficient regression (Table 6.18). The result confirms the findings of the survey and the in-depth interview as discussed in Chapter 5 and 6. Lack of housing opportunities among younger generation has often been associated with the affordability factors such as insufficient income, the high price of housing in the private market, insufficient deposits for the down-payment and difficulties to obtain the loan financing due to the strict lending rules which correspond with the findings as discussed in Chapter 5. Therefore, it is important to look at these factors to improve the housing situation of young people in Malaysia so that they can live independently. The result is on the lines with the earlier literature that has highlighted affordability as one of the determinants in explaining housing opportunities among the young generation (Clapham, Mackie, Orford, Thomas,

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& Buckley, 2014; Kennett, Forrest, & Marsh, 2013b; Lennartz et al., 2016; Mackie, 2016; Roween, 2014; Ahmad et al., 2013; Zyed, 2014).

Other than that, housing knowledge (Beta = 0.194) is found to be the second highest influence toward Housing Opportunities and are followed by Structural (beta = 0.118) and also Location (beta = 0.082). Overall, this set of independent variables describes that there are about 48.2% (R^2 adjusted = .482) of variance towards housing opportunities. The remaining 51.8% of housing opportunities total variation are explained by other factors which are not covered in this study.

6.4 Conclusion

This study has shown that young people agree that there are available housing policy and housing schemes in this country. Despite various subsidies and schemes introduced by the government and other housing agencies, they still view housing policy in Malaysia as deficient because the existing housing schemes are concentrating more on assisting the lower-income group, thus putting young people at the disadvantaged. Other than that, they see the current housing initiatives focus towards homeownership rather than another housing tenure, thus leads to lack of accommodation options suitable for their actual housing needs. As such, the current housing practice is still insufficient in improving their housing opportunities as many of them are still facing challenges in their pursuit of adequate housing. They argue that there is an absence of housing information that limits them from getting such housing knowledge, hence making their quest for independent living much harder.

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From the perspective of the state agency and other relevant parties, this study reveals that the government has intervened in every stage of housing provisions starting from the development, construction and housing consumption. The government has from time to time responded to the housing problems and increases the housing provisions which can be seen in the annual budget and national development plans. Furthermore, numerous efforts have been taken by the government and other housing agencies through various housing subsidies and schemes developed to assist people in their pursuit of adequate housing.

All of the key informants (i.e., NHD, PR1MA, HBA, REHDA) are at their very best to respond to the housing needs and develop initiatives in realising the national aspiration to improve housing opportunities for the younger generation. However, housing policy and practices in Malaysia are still insufficient because there are other segments which are still incapable for housing as the housing initiatives are not comprehensive thus have trapped them in a worse housing situation. Moreover, non-uniformity and lack of coordination among housing agencies have made the current policy and practices to be ineffective. Besides flaws in current housing policies and practices as previously discussed, informants have pointed out that blame does not lie on the shoulder of housing agencies alone, as housing opportunities of the young people are also influenced by their affordability and market forces.

As factors such as affordability, location, housing knowledge and structural were examined to determine whether they influence housing opportunities of the young people, this study has found that all of them significantly influence housing opportunities of the young people in Malaysia with the affordability as the dominant factor. The results correspond with all the findings in Chapter 5 and 6 that are thoroughly discussed on the

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challenges faced by young people and the deficiency of current housing policy and practices. In terms of their housing opportunities, this study has found that all young people believe that they have the opportunities to adequate housing either by renting or owning if factors such as affordability, housing knowledge, location and government housing policy are highly deliberated as they shape housing opportunities among young Malaysian.

All things considered, this study concludes that the current housing policy and practices in Malaysia in some manners have responded to the housing problems faced by the people, but still deficient in providing housing opportunities especially for young people. Findings of this study clearly show that factors contributed to the deficiency of housing policy and practices are related to 1) non-inclusive housing policy and practices; 2) pro-homeownership policy; 3) the relevancy of facilitated housing plans and programmes; 4) non-uniformity of housing distribution; 5) lack of coordination among housing agencies; 6) housing information deficiency; 7) unaffordable housing market and; 8) the attitude of young people.

As such, factors such as structural (housing policy, plans, programmes, initiatives), affordability, location of the houses as well as the knowledge regarding housing are highly important to be incorporated when designing the housing policy and improving the housing provision in Malaysia as any of the flaws will result to the deficiency of the housing practice, thus affect the housing aspiration of younger generation to live independently. The restorative strategies to respond to the housing needs of the young people based on the overall findings and discussion then will be elaborated in the next chapter.

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CHAPTER 7 : RESTORATIVE STRATEGIES IN RESPONSE TO THE HOUSING NEEDS OF THE YOUNG PEOPLE

7.1 Introduction

This chapter aims to answer the third research objective of this study that is to propose series of intervention to respond to the housing needs of the young people in Malaysia. It deals with an explanation regarding the strategies that best respond to the housing requirements of the young people. The proposed recommendations are made based on the empirical evidence regarding the challenges faced by young people in their pursuit of adequate housing and the factors contributing to the deficiency of the housing policy and practices discussed in Chapter 5 and 6.

7.2 Restorative strategies to address the housing needs and housing opportunities of the young people and improve the current housing policy and practices

Restorative is used to describe any activities that are not associated with negative elements such as punishment, adversarial or punitive. Instead, it concerns on the positive approach in correcting certain activities (Daly, 2016). The idea of restorative has been widely used in criminal studies but has expanded to other disciplines as well due to its popularity. It is also an approach to restore good relations without any conflicts or harms (McCluskey, Lloyd, Kane, Riddell, Stead & Weedon, 2008). In this study, restorative strategies refer to positive and constructive approaches to address the housing issues and policies involving all stakeholders including young people to ensure they can produce harmonious housing industry.

The researcher proposes eight restorative strategies to address the housing issues among young people and to improve the current housing policy and practices. The

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recommendations are made based on the findings and empirical evidence that can be summarised as follows:

(i) In their pursuit of adequate housing, young people face challenges related to structural, economic and social aspects.

Concerning structural aspects, the price of housing has become the main challenge as the respondents argue that the price of the available housing in the market is too high and arduous for them to own. The majority of them face difficulties in securing the financing from banks due to their meagre income and poor credit. As young people need to pay for the housing deposit, it becomes a challenge for them to prepare and save such deposit due to the insufficient income. The price is too high in which does not match their current income, it resulted in inability to access to adequate housing.

Young people claim that the shortage of availability of affordable housing in the market limits their housing opportunities. It becomes a challenge for them when houses offered in the market are too expensive with a few choices for affordable housing. Regarding the economic aspect, young people face challenges related to high cost of living, strict eligibility rules for loan financing from financial institutions and high monthly loan instalment. The current cost of living in Malaysia is progressively increasing especially after the introduction of the Goods and Services Tax (GST). Due to higher housing prices, the monthly loan instalment will be high. With their monthly commitments and other expenses, they find it difficult to afford the monthly instalments.

Regarding social aspect, young people reveal that they face discrimination in the housing market. Many housing developments target either the lower income or high-income group, thus, making their pursuit of adequate housing difficult. Even if there are

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housing initiatives offered, they are often limited to certain categories which excluded them from enjoying the benefits as they do not fit into the requirements. Since they are young and relatively new to the workforce, accessing to loan financing is quite difficult as they are financially weak. Not only that, they usually face with limited housing knowledge especially related to mortgage financing and housing market. Many of them are not aware regarding the housing schemes available for them and argue that it is due to lack of promotional activities on this matter.

The finding also reveals that living in the private rental market brings challenges for young people; as the renters, who live in this tenure because of lack of protection due to the absence of rental regulation in this country. They argue that there is a lack of suitable housing schemes for them and this has made them unable to survive in the housing market. It is still insufficient to help their housing aspiration even though the government is assisting them with the introduction of the RTO scheme. As Malaysia is focusing more on homeownership, the existing schemes pertaining to the rental are lacking. As renters, they face difficulties regarding high rental payment and poor quality of rental housing. Moreover, they face hurdles in their attempt to get the money for the deposit due to high rental deposit since there is no rule on rental payment and other matters related to it.

(ii) Housing policy and practices in Malaysia are deficient in providing housing opportunities for young people

The existing housing policy and practices are not inclusive as they extremely focus on the lower-income group, and have made the other groups trapped in the middle as none of the criteria match their current housing situation. Most of the public housing programmes

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favour the lower-income group (B40) and abandon the other group to survive in the private market. Although several housing schemes and subsidies are initiated to focus on helping the middle-income, yet they cover only part of the segment of the middle-income group (M40). It excludes the other group of middle-income (between M40 to H20), from enjoying such benefits. Therefore, the housing provisions in Malaysia, especially for the younger generation, are still deficient.

Although various housing schemes have been initiated by the government and other housing agencies aiming at helping young people, the current housing market operates for individuals with no specification for young people. It means that anybody can simply purchase a house if he or she has the capacity do so. It creates competition among the younger generation who have limited resources and those with high resources. The situation, in turn, creates unhealthy competition.

(iii) The housing system in this country is concentrating on homeownership rather than other tenure such as rental

Having a pro-home owning policy, most of the existing housing schemes focus only on owner-occupation rather than other housing tenures that fit the actual housing needs of the younger generation. There is lack of government intervention regarding the rental system as there is no price regulation and monitoring. Although the government has come out with certain housing initiatives such as the introduction of RTO and allocation of houses for rentals, the provision is limited, and the regulation is weak. The absence of comprehensive rental system, hence, affects young people's effort towards independent living.

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There is also a lack of coordination between the Federal, States and other housing agencies. There is no cooperation between agencies involved related to housing as they are working separately without any control from the central. Besides, there is no uniformity in the housing allocation between each state. The practice is varied between states. Some states imposed 30 percent housing quota for the Bumiputra while other states allocated 50 percent or more. The federal government does not impose strict guidelines on the housing allocation for either the Bumiputra or other ethnicity. The imposition of this rule lies in the power of the state's housing policy. Consequently, the government has failed to create a comprehensive policy on housing. The state government is controlling the land at the state level. Thus, it is difficult for other parties to obtain the ground as the states have their land allocation for housing development, which allows the private sectors to operate in the housing market freely.

Furthermore, there is lack of awareness and housing knowledge among the young people regarding housing policy and other housing schemes. Delivery of information related to housing is inefficient despite many efforts done such as roadshows, property expos and websites. Moreover, our present housing system lack of available information on housing as there is no departments or units handling all information related to housing such as how many affordable units for sales, the location of the houses, how many affordable houses under constructions, prices of the houses, housing procedures and so on. At this present time, there is no statistics available for people searching for such housing information. Therefore, lack of information on these aspects limits young people capability to operate in the housing market which hinders their housing opportunities.

The current housing market is viewed as unaffordable due to the high price of housing and shortage of land. Hence, young people find it even harder to enter the housing

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market due to their poor credit, high financial commitments and limited financial resources. Many of them could not afford a house due to difficulties to provide housing deposit and are disqualified for the housing loan. On the other hand, there was an argument that the housing supply is considered sufficient in the housing market, but housing opportunities for young people are limited because of their attitude. Their lavish lifestyle, lack of awareness and housing knowledge also affect their housing opportunities.

The study also examines the influencing factors such as affordability, location, housing knowledge and structural towards housing opportunities of the young people. This study has found that all of the studied factors are significantly influenced housing opportunities of the young people in Malaysia. Among all, affordability is the most significant factor that affects their housing opportunities. The finding corresponds with the results of the in-depth interview with the key-informants.

Therefore, to respond to the above crucial issues, this study draws out eight main restorative strategies to answer to those key discoveries.

7.2.1 Develop an inclusive and comprehensive housing policy and programme

In response to the issue of non-inclusive housing policy and practices due to the concentration of the low-income group in their strategic initiatives and the challenges face by young people regarding the structural aspects, this study suggests the government develops inclusive housing policy and programmes. The government can do several interventions in developing inclusive housing policy and practices.

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First, the government needs to review the eligibility rules for loan financing. It can be done with the participation from the government together with banking institutions and housing developers to come out with other alternatives of eligibility rules. The finding reveals that strict eligibility rules as one of the challenges faced by the young people in their pursuit of adequate housing. They are confronted with difficulties to secure a loan due to insufficient income, poor credit and strict lending rules from banks. As such, revising the lending rules or relaxing the rules for housing is needed to enable them to access housing financing.

The government and financial institutions are also advised to revisit the assumption of using *Perbadanan Tabung Pendidikan Tinggi Nasional* (PTPTN) loan in the credit score as a test for applicants' loan eligibility. It is because there are high loan rejections reported among young people due to their poor credit score. As PTPTN is not a facility provided by a banking institution, by including it in the credit scoring is not a clever solution. Instead, banking institutions may offer a lower interest rate and revise the lending rules to exclude the PTPTN loan and consider other sources of incomes and savings in credit score. However, lowering the income level in their housing requirements for the subject of loan entitlements is not a wise solution. If young people could not qualify for the financing based on the eligibility rules, they would not be able to serve the loan in the future (Goh, 2013). As such, it requires a more practical approach to ensure that they can maintain their financing.

Second, the government may control the housing price for all affordable houses through a price control policy. Undeniably, the high price of housing is influenced by many factors, and it is hard to reduce the housing price in the market. At present, the price of accommodation in the private market is determined by the private developers, and the

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increment is exorbitant. Thus, this study suggests the government regulate a policy to control the price of affordable housing in the market. Moreover, specific rules may be set up to assist young people concerning housing deposits. The current practice has stated a 10 percent compulsory deposit for the down-payment. Most of the young people could not afford to pay upfront. Many of them claim that even if they can afford the monthly loan instalment, they still face difficulties to provide housing deposits.

Hence, this study suggests revising the percentage so that more young people can afford to pay. Instead of imposing a 10 percent housing deposit, the percentage can be revised to 2.5 to 5 percent. This new regulation should only be offered to young people at the age of 20 to 39 years old as this study shows that young people within this age group are among those affected by large deposit. For those who are not in this age, the category is subjected to the current rule of 10 percent deposit. It is to avoid the housing price manipulation by those who have more financial freedom to simply buy a house and later sell it at a higher price. The proposal to lower the down-payment requirement can also be seen in China to ensure young people get better housing opportunities mainly on homeownership (Deng, Hoekstra, & Elsinga, 2016).

Third, since the government servants enjoy full housing staff loans as part of housing benefits, the strategy can be applied to the private sectors and organisations. Large organisations may help their employees by subsidising the housing deposit in the course of their Employees' Welfare Programmes which the investment is deducted from employees' earnings. To further encourage this initiative, the government could offer a tax exemption to all companies participating in this strategy. The initiative is hoped to help young people who are not qualified for the public housing, which targeted for the

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lower-income group and could not afford to buy a house in the private market to at least have better housing opportunities.

Fourth, the government should consider establishing a specific fund for housing. As findings show that young people housing opportunities are limited due to their limited economic resources, this study proposes the establishment of a specific fund for housing that serves as the social insurance scheme and housing financial programme. Similar to the Employees Provident Fund (EPF) in Malaysia and the Central Provident Fund (CPF) in Singapore, this study proposes the government to develop Housing Provident Fund (HPF) as a compulsory saving scheme to help employees to save money to purchase housing in the future. The fund which requires a monthly contribution from employees and employers will be deducted from employees' monthly salary. The establishment of HPF in China required both employers and employees to contribute 5 percent from the monthly salary to the employee's HPF account which can only be used for housing production and housing consumption of the contributors. The contributors can use the fund from HPF for the down-payment, purchase of a house, construction and renovation of a house or to pay the housing mortgage (Chen & Deng, 2017; Shi, Chen, & Wang, 2015; Tang & Coulson, 2017).

Besides China, other countries like Brazil, Mexico and Nigeria have established the Housing Fund as a solution for housing consumption (Chen & Deng, 2017). Even though the EPF in Malaysia allows the withdrawal for housing financing, the usage and funds are rather limited as the main target of EPF is for a social security system that focuses on the retirement benefits. Thus, the establishment of HPF is essential as a housing insurance for the people to embark into homeownership and help them ease their housing financing shortage. There should be a specific housing financial system like HPF

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as a safety net since it encourages housing investment and helps young people in their pursuit to live independently. Since young people face difficulties in accessing to mortgage financing, the idea was also highlighted by the respondents (young people) for the government to initiate a specific fund for housing to help them have access to financing.

For the above reasons, there is a need for the government and other housing agencies to conduct specific research in relation to housing issues before certain policies or schemes are designed. Government and other agencies such as KRI have conducted research on housing and admitted that there were flaws of the current housing policy and practice. For instance, KRI has noted the needs of cooperation between various agencies such as government, financial institutions, states' housing agencies, town planners and many others housing stakeholders for better housing plan and coordination (KRI, 2015). Nonetheless, more future research should be undertaken for better understanding on the issues and find solutions for future improvement. Several respondents have stressed that the government needs to continuously monitor the existing policy and schemes to ensure that they are in line with the current situation of young people. Studies about their housing needs, what are their actual problems and so on must be undertaken before any reinvention on new schemes, and current policies can be made. It is to guarantee that young people have access to adequate housing as outlined in the objective of NHP.

Housing developers must carefully conduct survey before they embark upon housing development especially for affordable housing so that the housing development developed by them not only supporting the national aspiration but also to better serve the welfare of the people especially the younger generation. The idea to conduct a research before designing certain policies and schemes for housing is very much welcomed by the

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informants. Since there are lack of public engagement and platforms for discussion about housing matters, thus NHD welcomes any proposals or relevant ideas from the stakeholders to strengthen the existing housing policy and schemes to ensure that they effectively respond to the housing issues among the younger generation.

7.2.2 Encourage alternative form of housing assistance

As much as the government has strongly been an interventionist in the housing system through various housing subsidies and schemes, this study suggests that more rational housing schemes for the younger generation should be introduced to facilitate their housing opportunities further.

Despite various housing schemes and plans initiated by the government and other housing agencies, there was an argument towards the relevancy of such schemes for young people and some have claimed that the existing housing plans and programmes are deficient in facilitating housing opportunities for the younger generation. The future housing policies and systems should encourage the alternative forms of homeownership assistance such as Shared homeownership scheme that has been popularly introduced in the UK and Australia and shared equity and shared appreciation homeownership programme (US) as initiatives to enhance housing affordability by lowering down-payment for the deposit and monthly housing loan (MacDonald, 2013; Carr & Mulcahy, 2010).

Shared homeownership scheme in the UK which is also known as ‘part-rent / part buy hybrid tenure’ is an initiative to help those young people who are unable to purchase a house at the time of purchasing, and to achieve the homeownership whereby the residents buy the shares of the property and rent the other portion. Under this scheme, the

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applicants share their home between 25% and 75% of the home's value and pay rent on the remaining share.

In Western Australia, a scheme which is known as Keystart Shared Ownership Home Loan Scheme was designed to help the low to moderate income earners for first and subsequent homebuyers. The government (Housing Authority) assists them by becoming their partner to purchase a share in the home up to 40 percent of the property value. By sharing the ownership, the Australians can buy a home as they only need to borrow the portion of the property price, thus helping them to reduce their burden of the deposits and ongoing payments.

As such, the government may implement a shared homeownership scheme where the young people can buy a share of a home, including public housing from the property-owners (housing authority) and rent the remaining share. The housing authority will decide on the percentage of the share based on the income and household size of young people. Along the way, they can buy a bigger share if they could afford to pay. The effort will help them to save until they reach certain affordability level.

In terms of the existing affordable housing schemes that have already been initiated such as MFHS, PR1MA housing programmes, YHS, My Deposit Housing Scheme, *Perumahan Penjawat Awam 1Malaysia* (PPA1M) and many other housing schemes, they should continuously be offered for the first-time homebuyers for assistance and there should be a revision of such plans from time to time so that they effectively respond to the current housing needs of the younger generation.

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Since young people struggle to pay the housing deposit, this study recommends that government should continue to provide more financial assistance such as down-payment assistance for homeownership as the strategies to address the housing needs of the young people. At present, we only have My Deposit housing scheme to assist the middle-income group, specifically the first-time house buyers to pay for the housing deposits. Therefore, there is a time for the government to intervene further by offering various deposit schemes. This strategy is also highlighted as the most preferred approach chosen by the young people during the survey.

Furthermore, for those who prefer to rent before they own houses may be because of their financial difficulties or strict financial lending requirements, the government can offer more Rent-to-Buy schemes to facilitate their aspiration for homeownership further. This option gives alternatives to young people between renting and owning to build their financial strength and credit score by renting the house for several years before they embark into homeownership. As Malaysia currently offers a Rent-to-own (RTO) scheme as an alternative to homeownership, the government may introduce more programmes like RTOs so that young people have an option to rent for the first few years and improve their financial condition. The programmes that have been put in place in the UK (Help-to-buy) and the US (Lease-to-purchase), are claimed to successfully assist people to achieve homeownership.

Other housing options such as transit homes, flats, youth hostels or other forms of accommodation need to be constructed and provided especially for the young people who have migrated to urban areas, newly join the workforce and plan to form a family. There should be more housing programmes like 1Malaysia Transit Home Project and1Malaysia Youth City Programme, an inclusive development for the youth to provide social

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inclusiveness to all social groups in this country. KRI, based on its research also suggests the idea of building transit homes for young people and the young married couple in urban areas (KRI, 2015). We can adopt the 'Fizzy Living' concept introduced in the UK that offers affordable accommodation for rental targeted to young professionals (Rugg & Quilgars, 2015).

The idea of temporary homes is also suggested by the key-informant from PRIMA highlighting that transit houses are relevant as a housing option for the fresh graduates within the first five years of their working life. Besides, the government and housing providers may reassess our housing allocation system by offering more affordable houses on the market targeted to every single social group which would be more inclusive and suited to the affordability and needs of the younger generation.

The access to public housing should be expanded to the other income groups who face difficulties to enter the private housing market due to their limited financial resources. Unlike Malaysia, Singapore and Hong Kong have successfully match social security with shelter through massive investment in public housing (Ronald & Doling, 2010). After all, the government intervention through various housing subsidies and schemes can be considered as a safety net although the support is somehow differing from the practice in European countries and other welfare states regimes. The housing can be regarded as a safety net of an individual as it is considered as asset-based welfare (Elsinga, 2017; Smith, 2015).

7.2.3 Rezoning Housing Development Project

The urban development in Malaysia concentrates at the central point where business activities are located. It leads to high urbanisation and congestion. Currently, there is a

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growth of housing development outside the city areas like in Rawang, Semenyih, Bestari Jaya (Batang Berjuntai) and Nilai. Although many people are unhappy with this development as initiatives due to its location, it is a good movement for the housing growth to be outside the expensive area like Klang Valley to avoid high concentration at a single area.

As such, this study recommends that housing development at those areas should not only be made affordable but equipped with basic facilities such as schools, malls, hospitals, community halls and reliable public transportation system. The government should encourage urban and housing development outside the city centres where facilities and business activities are highly accessible, healthier and sustainable communities can be created (Carr & Mulcahy, 2010). The idea is in line with the suggestion by the key informants from HBA and PR1MA that there should be the expansion of housing development outside the cities where the problem of overcrowding and upscale housing development can be minimised. The initiatives, in turn, enable young people to have better housing options and enjoy a high quality of life.

Relevant with the Multiple Nuclei Model developed by Ullman and Harris in 1945, even though CBD is located at the city centre, we should also allow the growth of smaller CBDs outside of the city, which can be known as a nucleus town or sub-town. Each of the nucleus towns acts as an extension point consists of housing development, business activities, industrial, agriculture, good public transportation and equipped with facilities like malls, schools, community centres, hospitals and other infrastructure to sustain life (Harris, 1997). Based on this concept, residential zones need to be built near commercial areas and also retail zones within the nucleus town based on the idea of 'live, work and play' so that people can improve their quality of life. The idea is similar to the

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urban development in Singapore where they create sub-towns / nucleus towns as part of their re-urbanisation strategy (Urban Redevelopment Authority, 2012).

The most important part that the government should focus is developing a good and reliable transportation system at this housing location to maintain the connectivity based on the concept of Transportation Oriented Development (TOD). We can adapt the transportation system in Hong Kong (Mass Transit Railway, MTR) and Singapore (Mass Rapid Transit, MRT) where their systems are efficient, and their connectivity is highly reliable. The developers may focus on the design of the houses that appeal to the needs of young people. With such housing system, people can still live a distance from their workplace and have a sustainable life. The above idea is proposed in response to the challenges faced by young people regarding the location of the house that is far from the workplace with limited public transportation.

7.2.4 A comprehensive rental system for housing

Since findings have revealed that young people could not afford to own due to the high price of housing, many of them choose rental as their housing tenure. It is conflicting with the existing housing system in this country that is concentrating only on homeownership rather than different tenures such as rental. As such, the current policy also has not supported the provision of rental housing, lack of housing provision for rental subsidy and little assistance for the construction of private rental housing.

Therefore, this study recommends that the government develops a comprehensive rental system. For young people who could not afford homeownership and decide to rent, the government and other relevant parties should improve our rental housing system to enable them to rent at an affordable price and ensure that the system protects not only the

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landlords but tenants as well. Not only simply asking them to rent, but the government should be able to regulate a better rental system and adopt the practice of rental system from other countries like the UK and Australia.

There should be better regulation of the rental sector so that young people have other options if they could not afford the homeownership (Deng et al., 2016). There is no control from the government on the rental price. The landlords are free to determine and set a high price of the rental, especially if the houses are located at prime areas. The practice of a rental system can be adopted from the Netherlands and the UK whereby there is a price regulation in their rental sector. Although the central government is said to have indirect control, still there is a controlling mechanism from the government towards the rental industry (Hoekstra, 2003; Kennett et al., 2013). Thus, it is suggested that the Federal government needs to control the maximum rental price by determining the maximum increase of the rent, mainly based on types of houses and areas so that there is a ceiling price which does not go beyond the capability of young people.

Moreover, the government and other housing agencies should introduce more affordable rental schemes for young people, as the low and middle-income earners are heavily dependent on the private rented sector as the entry to homeownership seems difficult for them. Malaysia has provided public housing in its housing provision. However, it targets only the public employees and the lower-income group. It limits the other groups, including the young people to have access to this living arrangement. Therefore, the government together with other housing agencies are advised to provide more housing units for public rental and expand their coverage to the other income categories. It is to allow those who cannot afford private renting or homeownership to have an adequate shelter and proper living arrangement.

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Although renting is one of the alternatives to owning, there is no stability in the rental sector in Malaysia due to lack of suitable rental housing schemes, lack of access to affordable rental plans, high monthly rental payment and difficulties to obtain the money for the rental deposit. Hence, the Malaysian government can adopt the housing practice in Australia where affordable rental has been introduced under the National Rental Affordability Scheme (NRAS) to give options to those who cannot afford to join homeownership to renting the NRAS homes at an affordable rate. This scheme is a joint effort between the Australian government and other states which offer an annual financial incentive to housing providers who develop affordable rental plans for the low and moderate-income people. The idea is to increase the supply of affordable rental housing, reduce the rental costs and encourage the investment of affordable housing in response to the housing affordability problems among people (Department of Social Service Australian Government, 2017).

Additionally, there should be a regulation regarding rental tenure that benefits both renters and landlords (Elsinga, 2017). Since there is an absence of specific regulation that can protect the tenants from being intimidated by the owners, standardisation of tenancy agreement concerning the respective rights and responsibilities of both tenants and landlords is vital as the current tenancy agreement often siding to the landlords as there is no control from the government on this tenure. The government must provide clear guidelines regarding the tenancy agreement, the minimum duration of the tenancy, notice of leaving the property and other necessary guidelines about rental to ensure both parties benefited from the deal. A study conducted by Chiu et al., (2018) confirmed that housing should be made not only affordable, but in a good quality. The existence of inadequate housing, thus, deserves public policy attention from the government.

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7.2.5 Promoting awareness and education through social marketing techniques

The government and other housing agencies should improve housing literacy and awareness among the young people. It can be done through various social marketing techniques such as promotional activities, campaigns, road tours, handbooks, social media channels, public engagement and empowerment. Young people are often discriminated in the housing market due to their inexperience and lack of housing knowledge. As such, there is a need to educate and create awareness among them by providing advice and information about the home-buying process, legal aspects and financial matters. The relevant parties such as the government, developers and housing agencies are advised to effectively communicate with them on the information regarding types of housing available for them, benefits of financing requirement, rules and regulations, housing process advice and information pertaining to home-buying process, legal aspects and financial matters and other related information so that they are aware and understand the existing housing schemes provided to them (Teixeira, 2014; Terry, 2011; Visser et al., 2013). Developers, for instance, may raise the awareness among the young people on the benefits they may get from housing development and acquire their support for an affordable housing development.

Although there have been initiatives from housing agencies like REHDA and PRIMA to produce handbooks and guidelines regarding housing policies and housing schemes, nonetheless, the initiatives are still lacking since many are not aware of the existence of these manuals and guidelines. Therefore, this study proposes the government and other housing agencies intensify publicity and promotions on the housing schemes and initiatives to increase the public awareness and knowledge of housing. The respondents (young people and housing agencies) during the survey and interview also have suggested the similar idea. Moreover, the government alongside with relevant

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parties should instil the knowledge about financial management and future-life management at the early age. The strategy can be incorporated into school and university syllabus to prepare youngsters for their future living arrangement. The relevant parties must communicate to young people who could not afford to own the idea of renting as an alternative to homeownership so that they are aware of the benefits as renters before they embark into homeownership.

As we are now living in social media era where information is easily communicated through Facebook, Twitter, Instagram and organisational websites, housing agencies and providers must take this opportunity and use these channels to feed them with information on housing, financing, legal aspects, housing events or any housing programmes. All the housing agencies should make use their organisational websites to keep people informed and updated about housing development, policies, schemes, housing programmes and any financial procedures relating to housing.

All stakeholders are advised to collaborate with electronic media such as television, radio and newspapers, online newspapers to broadcast information about housing road tours, housing expos and any other exhibitions so that people are aware and participate in such educational events. Also, the relevant parties can outreach the targeted audience through the direct mail, flyers, brochures, billboards, banners, community events or group discussion as an approach to communicating the message on housing matters. The community events or group discussion are relevant to provide young people with education on financial and banking procedures. The use of banners, bunting, and billboards must be expanding outside the territories set before. As previously shown, housing banners and bunting showcase the information on a housing expo in Shah Alam only be made available within Shah Alam area. Thus, this study suggests the use of such

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banners and bunting outside the boundaries to ensure everybody has an opportunity to access to that housing road tours or events organised despite their location.

Concerning the lack of specific public engagement at the grassroots level, this study suggests the relevant parties to build the community relationships by organising public engagement session with the people. This effort must continuously be made to recognise any housing issues and housing needs of the young people and at the same time delivering the information relating housing and financial management to them. Informants from NHD have claimed that there is no engagement made previously to the public due to time constraints. Thus, this effort is hoped to help the government and other housing providers to respond to the real housing needs of the younger generation and integrate into the National Housing Policy and plans. For instance, housing providers are proposing to consult, involve and respond to the community to gain their support and understanding before they undertake any housing development.

Not only the government, but the initiative also requires collaboration from housing stakeholders such as the market (private developers), voluntary organisation, employers and the community themselves. Since the third sector involvement in Non-profit organisations (NPOs) in housing is currently at marginal, hence, active participation and collaboration between third sectors and other housing providers are vital in offering the service.

The involvement of a variety of parties is in line with the concept of welfare pluralism where the state intervention is reduced with greater community orientation and participation from other parties to increase the efficiency of social service. At present, we have only House Buyers Association (HBA), a voluntary non-profit organisation that

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protects the interest of consumers. HBA has from time to time organised series of seminars, conferences and talks to promote awareness of housing information and matters related to it among its members. On the developers' side, REHDA was established as the leading representative for developers in ensuring their views are heard by relevant parties. Third sector involvement which indicates a mixed economy of welfare is needed as the sector is the closest to the people, thus, able to recognise the problems or any issues concerning housing at the grassroots level.

7.2.6 Strengthening cooperation between states and housing agencies

Strengthening the cooperation between the Federal government, States government and other housing agencies can accelerate the performance of housing industry in Malaysia. Concerning land issues, since there was an argument regarding the shortage of land for the development of affordable housing, it is advisable for the state government to provide some land for the development of affordable housing and reduce the land premium charge to the developers.

Currently, developers have to bear a high cost of the land premium and this leads to an increase in housing price. Thus, by revising the land premium charges and reducing the reliance on this premium as a source of income, there is a high possibility that housing price would be more affordable for the young people. The key informants from REHDA also highlight that it is necessary for the state government to release the government lands for housing so that supply of affordable housing can be increased. Furthermore, the use of any *wakaf* lands (in Islam, *wakaf* refers to property donated for religious or community use) for the affordable housing projects can address the shortage of land. However, the initiative requires collaboration between the concerned Ministry and States government (MUWHLG, 2013).

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Another strategy that can be adopted by the government is to redevelop the abandoned lands and reconstruct the abandoned projects, houses and buildings for the development of affordable housing. This practice has been implemented in America where the government has made used the abandoned houses for the development of affordable housing. Under this initiative, the government and non-profit organisation have developed and rehabilitated the vacant, abandoned or foreclosed property which is known as a secondary market for housing purchase by the qualified purchasers. There is collaboration with banks for the credit facilities. The initiatives have benefited the public in improving their housing opportunities (Carr & Mulcahy, 2010). Perhaps, there is a time for the Malaysian government to adopt the strategy to re-energise our housing industry so that various housing options are available to the public.

Another aspect that the government and other stakeholders must consider is to improve the cooperation between different agencies. Findings reveal that there is a lack of cooperation between agencies involved due to too many organisations and non-uniformity of the housing policies. As such, this study suggests the establishment of a body to monitor and coordinate all the activities related to housing. All stakeholders must actively collaborate on any aspects related to housing, and there should be uniformity in housing policies and guidelines which is crucial to ensure everybody has equal access to adequate and affordable housing (Campos et al., 2016). This study proposes the standardisation in housing allocation/quota for each state to reduce the inequality in housing distribution.

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7.2.7 Establish a Monitoring and Coordinating Agency

Regarding lack of data on housing relating to demands of the houses, the supply side, the availability and other matters related to it and the absence of specific agency to gather and control on those data, this study proposes the establishment of a single agency to collect, monitor and coordinate all data pertaining to housing from the states. This agency will be responsible for collecting data from each state on the actual supply of affordable housing, the current housing projects, the demands for affordable housing, the locations of the affordable housing, the pricing and other matters related to it. All the information can be stored in a specific database system for future planning on housing programmes and policies. They also act as a reference for the public to know information on affordable housing. The idea to develop the specific database containing all that information is also proposed by the key informants during the interview session with HBA and NHD.

In the UK for instance, their government has established the local authority housing data that contains all the documents and information of housing such as housing stocks, waiting lists, pricing and other relevant information on housing from each local authority. All the information is made available through their government website (GOV.UK) and accessible to all. Meanwhile, in Singapore, their government has updated all the required information relating to the housing (i.e.: procedures to purchase, rent, selling, financing, housing price, rental rates, housing locations) through the government website (Housing Development Board). The initiative provides better data coordination as everybody can easily access to the required housing information which serves as a guideline for better housing options.

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7.2.8 Shifting paradigm on housing among young people

Concerning the issue of affordability among young people, this study suggests the paradigm shift among young people. They claim to be demanding, live a luxurious life, prefer to buy a car at their early stage of their career and prefer owning over renting. The situation has led to difficulties to access adequate housing and living independently. Therefore, this study suggests the young people to shift their paradigm regarding their living arrangement. Rather than focusing on homeownership, young people may consider other housing alternatives such as renting a house or accommodation until they reach certain affordability level.

Since findings from survey and interview with young people have revealed that affordability is one of their primary concerns, thus, they must change their attitude and expectation towards housing. The key informants also come out with the idea of renting an accommodation stressing that they should not tie themselves up with long-term financial commitments and limit their career growth by concentrating on owning a house. They should instead, choose to rent while they are building their career at the beginning and improving their financial condition. Homeownership becomes more attractive as they grow older and when their income rises, and their households expand (Andrews & Sánchez, 2011). Hence, renting is a better option for them in climbing their housing ladder before they settle themselves as an owner.

Other than renting, they should also consider buying from a secondary market if they still prefer to own. The secondary market offers more affordable prices as compared to the newly built development. This practice has become a norm in developed countries like the US, the UK, Australia and Japan where people prefer to buy from a secondary market as it allows flexibility in negotiating the price and support their transition to

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independent living (Izuhara, 2015; Poon & Garratt, 2012). Moreover, as findings argue that young people housing opportunities will be limited due to their expensive lifestyle and poor financial credits, they should change their attitude toward housing, evaluate their living condition and know their priority.

All these efforts can help them to save for the housing deposit and other housing expenses. The idea of shifting housing paradigm has become the main agenda in most of the European countries where the percentage of homeownership is lower as compared to our country, and the rental sector is relatively stable (Hochstenbach & Boterman, 2014; Kadi & Musterd, 2014; Lennartz, Arundel, & Ronald, 2016). Young people in those countries are favouring renting over homeownership due to their limited resources and tenure freedom. In the UK for instance, most young people are represented in the private rented sector due to highly available and degree of mobility (Filandri & Bertolini, 2016; Rugg & Quilgars, 2015).

The idea of renting an accommodation is also suggested by Second Finance Minister, Datuk Seri Johari Abdul Ghani during a public dialogue session on March 30, 2017, with youth at the Finance Ministry. He has suggested that younger generation should shift their minds and consider renting houses or accommodation until they are ready to commit themselves for the long-term financial commitments (Johari, 2017). The cultural mind-set must be shifted, and this can be done if the government nurture and instil the knowledge about financial management and future-life management at the early age.

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The strategy can be initiated at the tertiary level where basic financial literacy can be taught in schools (Khazanah Research Institute, 2014) and included in university syllabus. With all the information and knowledge, this initiative prepares them for their future living arrangement and survival in the housing market. Based on the overall discussions, the summary of proposed restorative strategies is presented in Figure 7.1.

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Figure 7.1: Summary of Proposed Restorative Strategies (Author, 2017)

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7.3 Conclusion

Overall, inclusive housing policy is needed to ensure young people are able to access to proper housing that matches with their housing needs to achieve their independent living. The government should not only concern on the homeownership per se. Rather, the focus should be given in providing young people with access to adequate and decent housing and ensuring there is adequate shelter for all. Although homeownership becomes an aspiration for most of the people, the main aim of housing policy and practices should be ensuring every group of citizens is adequately housed either by renting or owning. Although policymakers continue to promote homeownership by introducing various homeownership schemes in the national housing policy, the concern should be given towards affordability among young people, unstable financial system, expensive housing market, lack of housing knowledge and the policy concerning housing system as thoroughly discussed in the previous sections.

The government intervention and policy reform are needed to improve and revised the current housing policy and practises to ensure they cover the whole population, including younger generation who are currently exposed to various challenges in gaining access to adequate and decent housing. Schemes to enhance homeownership are important and welcomed in national housing policy, but the policy makers should think beyond the boundaries on how to respond to the actual housing needs of the younger generation. The priority must be given towards the challenges they face and to revise the current housing practices to fit their conditions. The government and other stakeholders must realise that having an adequate shelter or roof over a head does not mean that we must own them, but what most important is people can live in safe, affordable, decent and quality housing.

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As such, several restorative strategies are proposed to the policy makers to develop comprehensive housing policy and programmes, develop comprehensive rental system, encourage alternative forms of housing assistance, support housing development outside the cities, promoting awareness and education through social marketing strategies, strengthening the cooperation between the Federal, States and other housing agencies and establish the monitoring and coordinating agency for the better future housing policy and planning. As for the young people, there should be a paradigm shift among them concerning housing. The reformation is critical to ensure that housing policy in Malaysia is not only inclusive, but also conclusive.

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CHAPTER 8 : CONCLUSION

The majority of young people in this study are aged between 25 to 34 years old, and reflect the standard age for people to build their life by having permanent jobs, achievement, form a family and the transition to adulthood. Majority of the respondents participated in this study were Malays as they are the dominant ethnicity in this country. Almost all the respondents involved in this study are well-educated, working with private sector and the majority of them are single.

Most of them earn between RM3,001 to RM8,000 in their monthly income and are considered as members of low to middle-income groups. For married respondents, their average household income is at RM9,603, thus signifying that all the interviewees in this study are fit for the government housing schemes. The income distribution according to sub-age group shows that their earnings increase as their age increase.

Comparing the annual median income, the housing price offered in the market and the gross monthly income of the young people in this study, the results clearly show that those earning between less than RM3,000 to RM8,000 face difficulties to afford a house in the market as majority of the houses priced more than RM200,000, which is beyond their affordability level.

Concerning their current living arrangement, many of them are currently renting or living with their parents/relatives, which indicates they are delaying in the transition to adulthood and independent living due to various challenges as discussed in Chapter 5.

The survey with the respondents has shown that young people have limited access to housing options. There was an argument that they do not have equal access to housing

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due to the focus of current policy and practices towards the lower-income group. Many of the public housing offered by the government was intended for the low-income people, thus resulted to marginalisation of the other groups. These people, especially the young find it difficult to climb the housing ladder and make their transition to adulthood and live independently even slower. They are trapped in the middle between the low-income and high-income people and considered as a sandwich class as they could not afford to buy a house in the private market. Although Malaysia is regarded among those with high homeownership, in reality, the homeownership rate is declining especially among the younger generation.

In their pursuit of adequate housing particularly to homeownership, this study has shown that young people faced with three main challenges related to structural, economic and social aspects. They have claimed that among the challenges they face is related to the high price of housing. With the limited financial resources and substantial financial commitments, they could not afford houses offered in the market as most of the housing development priced more than RM300,000 which beyond their affordability. As the majority of them are young and at their early stage of their career, their income is insufficient to save for the housing deposits and made them turn to their family members for the down-payment assistance. The current cost of living and high price of accommodation have made their pursuit to independent living remains longer.

Besides, they also face challenges related to structural factors. Young people argue that they are struggling to secure the financing from the financial institutions due to the stricter eligibility rules imposed by this sector. The situation has led them to the problem of accessing the mortgage financing due to the lack of available credits among them. Results also reveal that the shortage of affordable housing has made their housing

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opportunities even limited and their transition to independent living is much difficult. Many of the housing developments in this country are focusing towards the high properties and neglecting the needs of affordable housing development. In Selangor and Kuala Lumpur, the average housing price in Q4 2016 has been recorded more than RM500,000 compared to the affordable segment of RM 250,000 to RM450,000 (KRI, 2015; National Property Information Centre, 2014b). As a result, many of young people continue to suffer because of higher loan instalment which eventually leads to housing stress among them.

Besides economic and structural factors, young people also face discrimination in the housing market. Many housing developments are targeting either lower income or high-income groups, thus making their pursuit to adequate housing to be difficult. Young people claim that they have limited knowledge on housing especially related to mortgage financing, housing schemes available for them and the procedures of home buying. Some of them highlight that even if there is information about housing programmes or schemes offered by the government or other housing agencies, they fail to absorb the information and ignore it. It has led to the inability to access to housing due to the shortage of housing information and awareness. Although the government and other relevant parties have introduced many housing schemes and programmes aiming at assisting their transition to independent living, instead, lack of promotion and publicity regarding these matters have brought to the housing information deficiency.

Meanwhile, young people who are currently renting also reveal some difficulties regarding their living arrangement. Results of this study have found that living in this type of tenure becomes a challenge for them due to the insecurity of tenure. There is no formal tenancy agreement which gives the opportunity for the landlord to simply increase

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their rental payment or ask them to leave the house at any time before their approval due to the absence of such agreement. Besides, they also faced with high monthly rental payments, especially in the town areas. Despite paying high rental payments, there is an issue of poor quality of housing in their rental house which affects their quality of life.

In sum, this study indicates that young people face with various challenges in their pursuit of adequate housing either as homeowner or renter. The major aspect that the government and other parties should look upon is relating to their affordability factors and the policy concerning housing. It is important to ensure everybody has equal access to housing and their rights to housing are uphold.

Based on the previous discussion in Chapter 6, this has study found that the government has actively intervened in every stage of housing provision. The government has participated in the development, construction and consumption stages of the housing. However, the intervention is minimal at certain stages due to the operation of the free market. Although no country exactly fits any ideal types of housing regimes due to different levels of intervention in housing stages (Doling, 1999b), housing regime in Malaysia can be identified as liberal in characteristics as the states play residual roles and access to housing is linked to people capability to pay instead of needs, and housing is highly commodified.

All the informants in some manners have agreed that the policy and programmes have responded to the housing problems among young people. The housing initiatives are carried out by the government and other housing agencies such as MFHS, PR1MA, YHS, MyDeposit Scheme, Transit Homes, RTOs, Youth Housing Scheme to facilitate their transition to independent living and to improve their housing opportunities. The states

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emphasised that the current housing policy and programmes are comprehensive as it is designed covering different economic and social backgrounds. Findings conclude that all the stakeholders from housing agencies have participated and played prominent roles in improving housing opportunities for the young people and supporting the national aspiration to become a developed nation and ensuring people are adequately housed.

Nevertheless, findings show that despite existing housing policies and programmes that aim to assist young people into adequate shelter, an argument do arise towards their relevancy in providing housing opportunities for the younger generation. The current policy and practices are said to be deficient in facilitating their housing aspiration and needs. The deficiency of this practice is due to the non-inclusive housing policies and practices, pro-homeownership policy, the relevancy of facilitated housing plans and programmes, the non-uniformity of housing distribution, lack of coordination among housing agencies, housing information deficiency, unaffordable housing market and the attitude of young people.

Apart from that, the study also reveals that young people in this study have agreed that they have the housing opportunities either as homeowners or renters if there are affordable housing price, affordable housing schemes, have a stable job, or income and the location of the house are desirable. A comparison has been made of the housing opportunities and their socio-demographic factors. Results highlight that housing opportunities differ according to age, marital status and income level ($p < .05$).

In contrast, there are no differences in housing opportunities between gender, ethnicity, educational background, employment status and working category as housing opportunities are not linked to these socio-demographic elements ($p > .05$). Results of this

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study also discovers that housing opportunities of young people are much influenced by various factors such as affordability, location, housing knowledge and structural (policy and practice) as there is a significant relationship between them.

One of the roles of housing policy is to ensure everybody has access to adequate and suitable housing to ensure the transition of young people to adulthood is successful. However, as derived from the findings in Chapter 6, it shows that the current housing policy in Malaysia is yet to fulfil this role. Although the respondents in this study (young people and informants from housing agencies) to a certain extent have agreed that various housing schemes and subsidies have been initiated by the government to facilitate the transition to adequate housing, the practise is still insufficient in ensuring everybody has access to housing. Many of young people are still struggling in their pursuit of appropriate housing and the existing housing schemes are still lacking to improve their housing opportunities.

The challenges face by young people concerning accessing mortgage financing can be addressed if the government together with banking institutions review the eligibility rules for loan financing. It is necessary for the government to regulate a policy controlling the price of affordable housing in the market as the price of housing in the private market is beyond their average monthly income. Specific rules regarding down-payment also need to be set up to assist young people regarding housing deposits. Moreover, private sector organisations may offer subsidies as part of Employees Welfare Programme to assist their employees regarding financial assistance. To further facilitate their access to financing, this study proposes the establishment of a specific housing fund that acts as a safety net.

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As the existing schemes are argued to be insufficient in providing housing opportunities for young people, the future housing policy and systems are recommended to encourage the alternative forms of homeownership assistance such as Shared homeownership schemes in the UK and Australia. Other housing options such as transit homes, temporary homes, flats, youth hostels or other forms of accommodation need to be constructed and provided especially for the young people who migrate to urban areas for working and for those who at the early stage of their marriage.

Also, housing development should be made affordable and equipped with all the basic facilities and good public transportation. The government may encourage urban development outside the cities to minimise the issues of overcrowding and upscaling housing development. It is also important for the government to develop a comprehensive rental system in response to the homeownership in which focusing in its housing policies. As this country lacks regulation on rental sector, it is advisable for the government to have better regulation of rental tenure that benefits both parties (tenants-landlords).

Apart from that, to improve housing knowledge and financial literacy among young people, this study suggests the government and other housing agencies to educate them with the knowledge on housing matters to ensure they can make better housing choices. Public engagement is needed to strengthen the relationship between them and effective responses to the housing needs of the young people. Besides, to address the issues of the unaffordable housing market and non-uniformity of housing allocation between each agency, this study suggests the state government revisits the land allocation for affordable housing. Perhaps, shortage of land can be addressed with the use of any *wakaf* lands for affordable housing projects. Another strategy that can be adopted is to redevelop the abandoned lands and reconstruct or refurbished the abandoned projects,

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houses and buildings for the development of affordable housing. This study also suggests the establishment of a specific agency to monitor and coordinate all activities related to housing to address the issue of lack of cooperation between agencies involved. There should be standardisation in housing allocation/quota for each state to reduce the inequality in housing distribution.

Finally, this study suggests young people to consider on other alternatives to housing if the affordability issue becomes their major constraint. Instead of focusing on owning which beyond their capability, they should consider renting especially at their early stage of career and wait until they reach certain affordability level before embarking into homeownership. As such, future housing policies should be inclusive and comprehensive to all citizens. Other housing alternatives should be developed so that young people have better housing options that match with their actual housing needs and current economic conditions.

It is important for the researcher to clarify to whom the recommendations are made to ensure that it is practical for them to consider. In this study, all the proposed recommendations seem practical as they do not involve any abolishment of policy, plans or programmes. The proposed restorative strategies only include revising, modification and improvising certain areas of the current housing practice so that it can effectively respond to the needs of the young people and match with the current housing settings. Concerning the structural aspects, the government (both at Federal and states) together with relevant housing agencies like banking institutions, developers and other housing agencies should work hand in hand to improve the current housing policy and practices. The housing agencies must undertake continuous studies to determine the suitability and viability of the proposals, and it must be done by the concerned parties.

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Also, to ensure the recommendations are practical, other researchers may replicate the study and compare the results of this study with future studies to enhance the feasibility. It is impossible for the government to consider all the proposed recommendations, but at least, they may consider several strategies as an approach to respond to the housing needs of the younger generation and at the same time improve the current housing policy and practices.

The changes in housing policy and the system are hard to make but achievable if all the stakeholders look at the shifts positively and cooperate towards it. Among the challenges for the researcher to advocate is to ensure the strategies involved for the changes fit with the current environment and situation. Besides, the globalisation is another challenge that we must foresee when it involves changes in policy and system. Previously, there is no specific housing policy siding on young people as the current practice allows everybody to access housing, including the foreigners. Thus, there is high competition between young people who have fewer resources and those with more resources. Therefore, there is a time for the government to initiative changes in our housing policy and system through policy liberalisation that is benefiting the young people.

Before any changes take place, it is vital to create public awareness and supply them with required information and undertake continuous research to promote the ideas. As such, public engagement with all stakeholders is crucial to ensure the success of the plans. The states alongside with other housing agencies should initiate the public engagement through open dialogue sessions with the community, in this case, is young people to create their awareness and educate them on the importance of the changes in the housing policy and system and obtain their ideas or feedback on the issues concerned.

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Also, civil society (NGOs) and perhaps other social activists can collaborate in demanding the states to regularly conduct a dialogue with all the stakeholders including the market (developers), the policy makers and the public. Perhaps, this study opens new opportunities for social activists to actively participate in creating more public dialogue series or forums so that there is an exchange of ideas from time to time.

Besides, the role of social media is imperative as a platform for public engagement with the young people as they are the generation who are actively involved and relying on social media for information. The use of social media is often inexpensive but is regarded as an effective communication channel to reach the targeted group in most efficient ways.

Regarding the paradigm shift among young people on housing, this study acknowledges that it is not easy to change the mind-set of individuals, but it can be done with the help of the change agents. Change agents in this context refer to the government, housing providers and NGOs. They must be able to create and develop awareness among young people on the issues of housing and all matters related to housing policy, programmes and plans. To develop a comprehensive housing policy, it requires great cooperation between each stakeholder and everybody must know the role they should play.

It is hard to change the mind-set of people if they do not have much information regarding the housing issues and the benefits they main gain from the existing or proposed housing plans and programmes. As such, the change agents must actively play their roles by providing enough information to them which eventually result in the change of their mind-set about certain issues. For instance, findings suggest young people to consider

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renting or buying from the secondary market. Thus, information and knowledge about these matters must be well-communicated to them, and only then mind shifting will slowly take place. However, if there is a lack of information and knowledge about it, the changing mind-set seems difficult as fear of failure to accept the transformation. The government cannot simply ask them to change their mind-set. They must make sure that the policy concerning housing; the programmes and plans are well-designed and match with their needs. The revising of current policies and practices and improving equitable housing policy and programmes are critical in ensuring the change can take place easily.

Housing is regarded as a business commodity rather than social commodity due to the operation of the free market. The access to housing is determined by the ability to pay, and only those with stable income and resources can enjoy the housing opportunities. Housing can be perceived as a social commodity if the housing policy provides everybody with adequate shelters; regardless of tenure status. People should be able to access to housing at any time irrespective of their social status. The government must make it a priority in their national agenda to provide everybody with adequate shelter. The initiative, in turn, requires their effort in regulating a better housing policy and practices that uphold the principles of human rights that everybody must be adequately housed, and all the regulations, subsidies and assistance are directed towards this agenda.

Housing providers at the same time must provide more public housing and affordable housing so that people have options to either rent or own at a reasonable price. If people manage to access to housing, then only we perceive housing as social goods instead of a business commodity. The developers should look at housing as a human commodity and translate it into the housing development. They should focus on building the communities in their projects rather than only projects and development. Instead of

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housing development that disconnects with social functions (i.e., luxurious apartments with designated lift, high-rise buildings, and segregated housing areas) and so on, they may focus on building housing that is decent, affordable, and sustainable and match with the current needs of the people, especially the young. It is because all those expensive housings are beyond the affordability of the people; thus, the aim to provide adequate housing for all is far from the reality. The initiative requires cooperation from all stakeholders to make housing as a common commodity is materialised. The government can also intervene in housing provision through the distribution of housing or direct subsidies, rent controls and other forms of assistance.

The findings of this study add to the literature of housing studies as there is a few studies conducted in this area in Malaysia. Many researchers have focused on housing issues among low-income people with the focus given towards the affordability factors. To the researcher's knowledge, limited studies were conducted looking at housing opportunities among the younger generation and middle-income population in this country. Thus, this study fills the gap by adding discussion on the housing opportunities among young people which is important for Malaysian future housing directions.

This study has also contributed to the body of knowledge as it provides information regarding the challenges faced by the younger generation in their pursuit of adequate housing, either as homeowners or renters. It also comprehensively has discussed the factors contributing to the deficiency of the current housing policy and practices and offers possible suggestions for policy reforms which may guide the policy makers to develop a comprehensive and inclusive housing policy. Not only that, the contributions can be further expanded to the housing developers for their future reference in housing development and for young people to understand the housing system in this country.

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Regarding methodology, this study has contributed through the combination of research strategies that consists of quantitative and qualitative methods. The strategies provide a richness of data in answering the research questions and tackling the issues underlying it. As fewer studies are known using the RII analysis in their studies, the use of RII analysis in this study thus provides precise data as it determines the highest value indicating the indicator to know the most challenges faced by young people in their pursuit of adequate housing.

As much as this study provides useful information and targets the suitable respondents to answer the issues concerned, there are several limitations. Regarding the scope of the survey, the population is only limited to young people aged between 20 to 39 years' old who are currently living and working in Klang Valley. The creation of the age cohort is consistent to the age classification by Malaysian Department of Statistics. The researcher decided to choose a lower limit of 20 years because young people normally leave the tertiary education and embark upon employment at this age. Therefore, this study cannot be generalised to the whole population of young people in this country. The variables employed in this study are only limited to the significant variables found from the extensive literature reviewed.

As for the data collection aspects, this study is limited as it only employs cross-sectional study where the findings cannot obtain the information regarding the life-cycle stages of the young people. It could not explain the challenges they faced starting from their single and married life to the next few years of their working life and inadequate to explain their transition to adulthood. Due to the time and financial constraint, the longitudinal study is inappropriate for this study. Other than that, the study does not approach the respondents at housing expos as approaching them at the expos, though may

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gather much information, yet may not reflect the issues presented as majority who come to the housing expos are the one who have capability to buy a house. Some of them may also shop for houses for their children or search for their second or third house. As such, they are highly likely to face with the challenges in their pursuit of adequate housing.

Apart from that, the sample size used in this study is limited which may affect the representation of the states. The selection of the key-informants was made based on their availability and the suitability to provide the information on the research issues. There are several other housing agencies approached by the researcher but declined to be interviewed. The data on young people is based on Malaysian Household Survey in 2010 which resulted to lack of available information on the actual numbers of youth for the current year. However, for this study, the projection of data is made until the recent year to ensure the fulfilment of sample size requirement. Moreover, it was difficult to determine the sampling frame in this study due to the bigger population of young people in Malaysia. Thus, sampling frame in this study refers to the total population of young people in the study areas.

The measurement of affordability could not be executed due to lack of related data. The data required for calculating the average gross monthly income was not available. The researcher only depends on the annual median income as outlined by DoS and the data on housing price offered in the housing market from NAPIC in explaining the housing affordability among young people. Moreover, data from the questionnaire survey were used to explain further whether the respondents (young people) involved in this study have the affordability to access to adequate housing as specified in Chapter 5. However, since the nature of this study does not specifically look at the financial resources where housing affordability measurement is necessary, thus employing the

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above strategy in explaining whether young people have the affordability to access to adequate housing seems sufficient.

As for the data collection stage, there are limitations from the respondents as some of them refused to participate in this study. One of the reasons identified was the survey required them to supply the information about their income and monthly expenses. As it deals with their privacy and confidential matters, thus some of the respondents who participated refused to answer the questions relating to their expenditures. Furthermore, the truthfulness cannot be measured using the survey as it is difficult for the researcher to know whether the respondents provided accurate information or not. As for the in-depth interview with the key informants (housing agencies), the researcher faced limitation related to time as most of them are from the top-level management. Thus, the researcher needed to manage the time properly during the session.

After all, this study offers possible suggestions for future research to broaden the scope of this investigation. Since young people in this study are those living and working in Klang Valley, future research can extend the study covering other states. With that, a comparison can be made to know whether young people are experiencing the same challenges in their pursuit of adequate housing. Next, as it is important to look at their transition to adulthood, future study may employ longitudinal studies to examine their life stages cycles and understand their transition from parental homes to their own. Also, future studies may use other strategy to approach the respondents such as at property expos, housing expos or road tours if it is suitable with the issues concerned.

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Since this study limits to only several relevant variables, employing other variables in future studies are significant in a quest to know other possible factors that shape housing opportunities for the younger generation. For instance, other international studies have looked at intergenerational transfers in understanding the housing issues among younger generation which is absent in this study. Thus, this study suggests future research to employ this variable to know whether it influences housing opportunities of young people in Malaysia. Also, future studies may consider exploring in detail the financial perspectives of young people in explaining the housing affordability among them. Further investigation should also be made among the renters with bigger sample size to deeply understand their challenges living in rental tenure and how they manage the situation. Furthermore, as findings of this study show that young people face difficulties to access to mortgage financing due to strict lending guidelines from financial institutions, future research may take the opinions from banking institutions regarding this issue. The results of the future research are hoping to improve the housing issues that are lingering young people and at the same time enhancing our local housing sector.

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