Low Cost Housing Demand Factors In Malaysia

Noor Yasmin Zainun1, a and Siti Saharah Ismail2,b

1,2 Department of Building and Construction Engineering, Faculty of Civil & Environmental Engineering, Universiti Tun Hussein Onn Malaysia (UTHM), 86400 Parit Raja, Batu Pahat, Johor Darul Takzim, Malaysia

a nryasmin@uthm.edu.my, b saharah91@gmail.com

Keywords: factors, low cost housing, demand.

Abstract. In Malaysia, housing is divided into four categories, which are low cost housing, low medium cost housing, medium cost housing, and high cost housing. Demand and supply of housing is a major challenge to the country because it is one catalyst for social economic structure. The purpose of this research is to identify the factors of low-cost housing demand in Malaysia and to confirm the factors among experts in construction industry players in Malaysia. All factors are identifying from previous studies. Questionnaires are distributed among experts in construction industry players in Malaysia for confirmation. The data from previous studies are analyzed using frequency analysis table and the ranking of the factors are determined based on the highest frequency. Data from the questionnaires then analyzed using "Mean Rank" method. Ranking of the factors are determined based on the mean value adopted from SPSS 16 software. 27 factors of low cost housing demand are determined based on the previous studies. Results from previous studies shows that housing prices are on the highest ranking. 11 factors in the lowest ranking which are number of household factors, quality homes, adequacy, subsidies, marital status, mortgage rates, functions, benefits, job, family life, and culture. Meanwhile, results among experts in construction industry players in Malaysia show that affordable housing factors are in the highest ranking and marital status at the lower ranking. 92.1% of experts agreed that the factors are significant. Therefore, all the factors can be applied as low cost housing demand factors in Malaysia.

Introduction

House is one of essential requirement for human. In every five years National Plan the government has focused on various housing programmers in both rural and urban areas. In America, housing is hot issue among the citizen where not enough houses are supplied. Some people categorized as homeless has been a major concern nearly 10 years because rents have been absorbing ever-increasing portion of poor people’s income[1]. Meanwhile in England housing supply is not keeping up with demand. Reasons for rising demand include improved life expectancy rates and a growing number of one-person households[2]. In China most young couple not afford to purchase a house where parents and grandparents from the bothsides need to help them out because of houses prices in Beijing are very ridiculous[3]. In Malaysia the demand for housing became increase in every year due to a pre-develop country. Government will construct 28,000 units of affordable housing with price not exceeding RM150, 000 to help lower income group within the next five year in Johor Bahrul[4].

The objectives of this research are to identify factors of low-cost housing demand in Malaysia and to confirm the factors among experts in construction industry players in Malaysia.

Issues on housing demand

Since independence 50 years ago, housing issues are not changing due the increasing of the population. Population of people living in urban growth rapidly because of increasing migration population from rural and foreign workers. People are not able to buy a house because the prices of house increase quickly every year. Housing supply is not keeping up with demand. Reasons for rising demand include improved life expectancy rates and a growing number of one-person
households. Estimated that the construction of affordable housing can only accommodate 60% of demand while high cost housing offered in the market is about 200% of the requirement [5]. The average for all type of house increase about 3.2% from RM178 to RM184,574 per unit with Kuala Lumpur experiencing the highest rate followed by Sabah and Sarawak. This is because living cost in urban area is very high compare with rural area.

Factors on Low-cost housing demand in Malaysia.

<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Authors</th>
<th>Year</th>
<th>Factors</th>
</tr>
</thead>
</table>
| 1  | Residential Satisfaction and Social Integration in Public Low Cost Housing in Malaysia | Ahmad HarizaHashim                          | 2003 | 1. Neighbourhood  
2. Location  
3. Household income |
| 2  | Residential and Neighborhood Satisfaction in Private Low-Cost Housing: A Case Study of Penang, Malaysia   | Abdul ghanisalleh                           | 2008 | 1. Residential unit  
2. Developers  
3. Neighbourhood  
4. Environment |
| 3  | Affordable And Quality Housing Through The Lowcost Housing Provision In Malaysia                      | Noraliah Idrus, HO Chin Siong,              | 2008 | 1. Price  
2. Household income  
3. Home design |
| 4  | The Relationship Between Demographic Factors and Housing Affordability                               | Bujang, A.A.Zarin, A.H and Jamadi, N        | 2010 | 1. Price of house  
2. Marital status  
3. Education  
4. Household income  
5. Number of household |
2. Household income  
3. Price |
| 6  | Low Income Housing Allocation System in Malaysia: Managing Housing Need for the Poor               | Syafiee Shuid                               | 2010 | 1. Quality of home  
2. Price |
| 7  | Assessment of residential satisfaction with low-cost housing provided by Selangor Zakat Board in Malaysia | Mohammad Abdul Mohit Nurul Nazyddah       | 2010 | 1. Residential unit  
2. Service  
3. Public utilities  
4. Social environment  
5. Neighbourhood |
| 8  | House Price and Affordability in Housing in Malaysia                                               | Zainal Abidin                               | 2010 | 1. Price  
2. Affordable housing |
| 9  | Low Cost Flats Outdoor Space as Children Social Environment                                       | Azhan Abdul Aziza, Abdullah Sani Ahmad     | 2010 | 1. Cost  
2. Price  
3. Neighbourhood  
4. Housing physical |
| 10 | Low-cost housing Environment: Compromising quality of life                                        | Hafazahabdulkarim,                         | 2011 | 1. comfort  
2. safety  
3. usage  
4. satisfaction  
5. convenience  
6. Social environment |
2. Comfortable with the  
3. existing house  
4. Quality of life |
2. Service |
<table>
<thead>
<tr>
<th>No</th>
<th>Title</th>
<th>Authors</th>
<th>Year</th>
<th>Key Factors</th>
</tr>
</thead>
</table>
2. Aquadency                                               |
| 14 | Public Low-Cost Housing In Malaysia: Case Studies On Ppr Low-Cost Flats In Kuala Lumpur | Goh, Ai Tee and Ahmad, Yahaya                                                            | 2011 | 1. Quality  
2. Satisfaction  
3. Safety  
4. Function                                                |
2. Satisfaction  
3. Price                                                  |
2. Cost  
3. Satisfaction  
4. Public utilities                                      |
2. Price                                                  |
2. Household income  
3. Price                                                  |
| 19 | Assessing factors influencing performances of Malaysia low-cost public housing in sustainable environment | Ahmad ezaneehashim Sitiadidasamikom                                                       | 2012 | 1. Residential satisfaction  
2. facilities                                               |
| 20 | Factors that made possible to own a house by the low-income group in Malaysia | Sani M.N and Rahman A.M.A                                                                  | 2012 | 1. Household Income  
2. Household Expenditure  
3. Employment types  
4. Educational level  
5. Household breadwinner  
6. Total household monthly payment                      |
| 21 | Affordable Quality Housing for Urban Low Income Earners in Malaysia   | B Bakhtyar, A Zaharim, K Sopian, O Saadatian, J Abdulateef                                 | 2012 | 1. Affordable housing  
2. Quality of life  
3. Price                                                  |
2. Location  
3. Affordable housing                                     |
| 23 | Home making in low-cost housing area                                  | HAzhanabdululaziz Abdullah saniahmad                                                       | 2012 | 1. Satisfaction  
2. Home design  
3. Environment  
4. Social environment.                                      |
| 24 | Forecasting low cost housing demand in urban area in Malaysia using a modified back-propagation algorithm | Nazri, Norhamreeza, Noor Yasmin, Ismail Abdul Rahman, Mahroo Eftekharic                   | 2012 | 1. Cost  
2. Household income  
3. safety                                                  |
| 25 | Housing for Poor People: A Review on Low Cost Housing Process in Malaysia  | Bakhtyar, a zaharim, k soprion, s moghimi                                               | 2013 | 1. Income  
2. Family life  
3. Social life  
4. Culture                                                  |

Table 1 shows factors on low-cost housing demand in Malaysia based on previous studies. 27 factors has been identified from 25 previous studies.
Research Methods

Data was collected from literature review where all factors of low-cost housing demand in Malaysia were listed in the table. A questionnaire was designed to confirm the factors among experts in construction industry players in Malaysia. Analysis frequency table used to determine the frequency factors of low cost housing demand through previous studies. Information from the questionnaires was analyzed using SPSS to obtain frequency, percentage, mean and standard deviation. The ranking of the factors were analyzed using mean rank. Lastly, ranking results between data from literature review and questionnaire were compared.

Data Analysis

The ranking of factors were determined based on the total of the frequency for each factor. Meanwhile the ranking of factors from questionnaires were carried out based on mean values. Table 1 shows the results of the ranking analysis.

<table>
<thead>
<tr>
<th>Survey</th>
<th>Ranking</th>
<th>Previous study</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing</td>
<td>1</td>
<td>Housing prices</td>
<td>1</td>
</tr>
<tr>
<td>Housing prices</td>
<td>2</td>
<td>Household income</td>
<td>2</td>
</tr>
<tr>
<td>Security</td>
<td>3</td>
<td>Affordable housing</td>
<td>3</td>
</tr>
<tr>
<td>Household income</td>
<td>4</td>
<td>Satisfaction</td>
<td>4</td>
</tr>
<tr>
<td>Mortgage rates</td>
<td>5</td>
<td>Neighborhood</td>
<td>5</td>
</tr>
<tr>
<td>Comfort</td>
<td>6</td>
<td>Environmental</td>
<td>5</td>
</tr>
<tr>
<td>Subsidy</td>
<td>6</td>
<td>Security</td>
<td>5</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>7</td>
<td>Home design</td>
<td>6</td>
</tr>
<tr>
<td>Location</td>
<td>7</td>
<td>Location</td>
<td>6</td>
</tr>
<tr>
<td>Education</td>
<td>7</td>
<td>Developers</td>
<td>6</td>
</tr>
<tr>
<td>Public utilities</td>
<td>8</td>
<td>Public utilities</td>
<td>6</td>
</tr>
<tr>
<td>The quality of the home</td>
<td>9</td>
<td>Comfort</td>
<td>6</td>
</tr>
<tr>
<td>Quality of life</td>
<td>10</td>
<td>Quality of life</td>
<td>6</td>
</tr>
<tr>
<td>Family life</td>
<td>11</td>
<td>Education</td>
<td>7</td>
</tr>
<tr>
<td>Residential units</td>
<td>12</td>
<td>The social aspect</td>
<td>7</td>
</tr>
<tr>
<td>Benefits</td>
<td>13</td>
<td>Residential units</td>
<td>7</td>
</tr>
<tr>
<td>The social aspect</td>
<td>14</td>
<td>Number of households</td>
<td>8</td>
</tr>
<tr>
<td>Adequacy</td>
<td>15</td>
<td>The quality of the home</td>
<td>8</td>
</tr>
<tr>
<td>Functions</td>
<td>16</td>
<td>Adequacy</td>
<td>8</td>
</tr>
<tr>
<td>Environmental</td>
<td>17</td>
<td>Subsidy</td>
<td>8</td>
</tr>
<tr>
<td>Number of households</td>
<td>18</td>
<td>Marital status</td>
<td>8</td>
</tr>
<tr>
<td>Home design</td>
<td>19</td>
<td>Mortgage rates</td>
<td>8</td>
</tr>
<tr>
<td>Culture</td>
<td>19</td>
<td>Functions</td>
<td>8</td>
</tr>
<tr>
<td>Developers</td>
<td>20</td>
<td>Benefits</td>
<td>8</td>
</tr>
<tr>
<td>Neighborhood</td>
<td>21</td>
<td>Occupation</td>
<td>8</td>
</tr>
<tr>
<td>Occupation</td>
<td>22</td>
<td>Family life</td>
<td>8</td>
</tr>
<tr>
<td>Marital status</td>
<td>23</td>
<td>Culture</td>
<td>8</td>
</tr>
</tbody>
</table>

From the survey, an affordable housing factor is the highest ranking and marital status at the lowest ranking. Results from previous studies shows that housing prices are on the highest ranking. 11 factors in the lowest ranking which are number of household factors, quality homes, adequacy, subsidies, marital status, mortgage rates, functions, benefits, job, family life, and culture.
Conclusions

27 factors on low cost housing demand are determined based on the previous studies. All 27 factors that have been confirmed among expert in construction industry players in Malaysia and can be applied as low-cost housing demand factors in Malaysia.

References


