

## Low Cost Housing Demand Factors In Malaysia

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**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 Bahru[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 1: Factors on low-cost housing demand in Malaysia

No	Title	Authors	Year	Factors
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 Jumadi, N	2010	1. Price of house 2. Marital status 3. Education 4. Household income 5. Number of household
5	A Conceptual Overview of Housing Affordability in Selangor, Malaysia	M. S.Suhaida, N. M. Tawil, N. Hamzah, A. I. Che- Ani, and M.M. Tahir	2010	1. Mortgage 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
11	Sustainable Issues in Low Cost Housing Alteration Projects	N. M. Tawil, N. Hamzah, A. I. Che-Ani, and M.M. Tahir	2011	1. Cost 2. Comfortable with the 3. existing house 4. Quality of life
12	Housing Affordability: A Conceptual Overview for House Price Index	M. S. Suhaidab, N. M. Tawil N. Hamzaha,	2011	1. Affordability 2. Service

		A. I. Che-Ania, H. Basria, M.Y. Yuzaineec		
13	Pembangunan Model Penentuan Keperluan Perumahan. Kajian Kes: Johor Bahru, Malaysia	Masitah Binti Zulkepli	2011	1. Affordability 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
15	Development of Hierarchy for Safety Elements and Its Attributes for Malaysia's Low Cost Housing	H.N. Husin, A.H. Nawawi, F. Ismail, N. Khalil	2011	1. Safety 2. Satisfaction 3. Price
16	Faktor Luaran dan Dalam yang Mempengaruhi Harga Rumah Teres Di Bandar Baru Bangi	N. Hamzah, M.A. Khoiry, M.A.M. Ali, N.S.Zaini, I. Arshad	2011	1. Price 2. Cost 3. Satisfaction 4. Public utilities
17	Peramalan Terhadap Permintaan Perumahan Awam Kos Rendah	Azlina Md. Yassin, Rohaizan Ramlan, Mohammad Hafez Al-Aminr	2011	1. Give benefits 2. Price
18	Low-Cost Housing In Malaysia: A Contribution To Sustainable Development?	ZarinaIsnin*, RohaslindaRamli, Ahmad EzaneHashim& Irwan M. Ali	2011	1. Location 2. Household income 3. price
19	Assessing factors influencing performances of Malaysia low-cost public housing in sustainable environment	Ahmad ezanehashim Sitiaidasamikom	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
22	Housing Issues: A Study of Hulu Selangor District Council	ZarinaMohd Zain	2012	1. Price 2. Location 3. Affordable housing
23	Home making in low-cost housing area	HAZhanabdulaziz 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 sopian, 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 2: Ranking of the low-cost housing demand factors in Malaysia

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

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.

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**International Integrated Engineering Summit 2014**

10.4028/www.scientific.net/AMM.773-774

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10.4028/www.scientific.net/AMM.773-774.1037