

Original Research Article

Determinants of Home Ownership Among the Urbanites in Melaka

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Abstract: Over the past few years, the real estate market has been unbalanced in terms of supply and demand when supply exceeds demand, especially in urban areas. Although there is a high demand for affordable housing, the issue of house dumping is still a public debate. The difficulty of owning a house has always been a public issue debated by the government and the private sector in finding a solution for all stakeholders. With the current economic situation, buying a house is almost impossible due to the drastic increase in house prices in urban areas. In reality, urban communities need affordable housing to overcome the problem of renting a house, where the cost of renting is increasing. This study aims to identify whether factors such as market price, socio-economics, and community well-being affect home ownership, especially in Melaka urban areas. Data and information were obtained from house renters in some selected housing estates. The data collected from questionnaires was analysed using Statistical Package for Social Science (SPSS) 23 and Microsoft Excel software. The regression analysis method was employed for this study. The study results found that the increase in house prices affects the residents' ownership in the city, even though the demand for houses is always there. Design factors, types, and comfortable spaces are still the choices of today's home buyers. Socio-economic development factors also affect the demand of urban communities that choose housing estates near the city because of easy access, available infrastructure, and stunning green surroundings. The community well-being factor is a determining factor in the urban community's choice of a community-friendly environment and guaranteed security as one of the factors of home ownership in the future. In general, this study also helps housing developers study marketing strategies by considering the current needs of urban communities, such as market prices, socio-economic development, and a community-friendly housing environment. This study suggests that the government should make more efforts to increase homeownership in the urban community by providing quality housing and creating a united society along with development.

Keywords: Home Ownership; Urban Communities and Consideration

Received: 18th March 2024

Received in revised form: 23rd May 2024

Available Online: 1st June 2024

Published: 30th June 2024

Citation: Mohammed, A. G. R., & Md Salin, M. Implementation of Livewire Software in Output Waveform Analysis for Rectifier Circuit. J Workforce Edu Res 2024; 1(1): a0000516. <https://doi.org/10.36877/jwer.a0000516>

1. Introduction

The increase in house prices puts pressure on those who do not yet have homes, especially those with middle incomes who work and live in major cities such as Melaka city. It makes it difficult for individuals to own their own homes, especially for those living in urban areas. High demand from low- and middle-income groups, especially in large urban areas, makes homeownership difficult as the rising cost of living increases. The gap between demand and the supply of affordable housing still exists due to socio-economic changes, urbanization and the development of the population structure. To provide quality and affordable housing, developers from the public and private sectors need to understand the needs of homeowners before developing a residential area. Therefore, this study will help housing developers understand the current needs and demands by assessing the buyer's wishes. The results of this study will provide findings on the decision of urbanites to own a home or otherwise in the homeownership ecosystem among the urban population in the city of Melaka. High demand will open up better home market space to reduce the dumping of unsold units. This study considers aspects of market demand, socio-economic development, and community well-being to ensure demand is in line with the developers' provision of adequate and quality housing.

1.1 Problem Statement

The issue of housing supply outstripped demand, thus creating a dumping of houses, which becomes an issue that is not in line with the growing growth and income of urban communities. The increasing urban population progress always creates a demand for new housing. However, unsold units still harm the developers and hinder the government's desire to ensure that the community owns their own homes. Other factors, such as limited socio-economic development and non-community-friendly housing estates, further reduce the attractiveness of newly residential areas. Nowadays, the issue of home ownership is becoming more critical for middle-income communities as these community groups are caught between low- and high-income communities, resulting in the inability to own a home. With the rising cost of living and ongoing property prices, first-time home buyers will face considerable challenges in buying a home in today's market, mainly due to the urgent supply-oriented initiatives in Malaysia's short and medium-term (Samad & Abdullah, 2017). By owning a home according to the price offered, the local community's well-being must also

be considered to ensure future survival. With a dubious level of security and security of life, a buyer's decision to buy a home will be the deciding point in home ownership.

1.2 Objectives

This empirical study was conducted to focus on the following objectives:

- (i) Identifying house price factors influences the urban community's decision to own a home.
- (ii) Identifying socio-economic development factors influences urban communities to own homes.
- (iii) Identifying community well-being factors influences the urban community's decision to own a home.

2. Literature Review

As described in Maslow's hierarchy of needs, housing is a basic human need. A home is significant in ensuring security for every individual and family. Buying a home is an essential decision as housing expenses involve significant costs in an individual's monthly expenses. Therefore, the government and home developers need to identify important factors influencing home purchase decisions to increase the homeownership rate in Malaysia. It is necessary to measure internal and external factors influencing buying a home. Internal factors measure income, stages of the life cycle, employment and educational subfactors. External factors measure the financial and economic situation, house prices, location, neighbourhood, type and design of houses, and government housing incentives. Increasing house prices, among other financial indicators, have increased the city's desire to buy a home. Most significant metropolitan areas have seen a rise in home prices and rentals, and this pattern is projected to continue year by year (Nooriah & Jamaluddin, 2018).

2.1 Income and Cost of Living

The high cost of living, difficulty obtaining a bank loan, expensive house prices, and problems qualifying for affordable housing. Therefore, it is proposed that local governments take a more active role in improving the capacity of urban communities and the number of affordable homes in the city, especially in high-populated areas. However, as part of the government's goal to develop affordable units, encouraging adequate investment in affordable homes in urban areas is difficult. Housing prices in Malaysia have risen rapidly in recent years, with this upward trend emerging primarily in urban areas. Furthermore, in most countries, including Malaysia, the problem of quality housing availability in terms of price and efficiency and increasing housing prices has become a significant concern (Norah, 2019).

2.2 Affordable Houses for Urban Residents

Middle-income groups living in urban areas face more significant homeownership difficulties, although urbanisation occurs widely in Malaysian cities. Middle-income households continue to experience problems with affordability, access to finance, and availability. The affordable housing delivery system was assessed by studying the urban middle-income group concerning the process of providing affordable housing. In general, the main objective of development is to increase society's well-being by fulfilling all the basic needs and allowing society to enhance the standard of living (Nor Malina, 2019). Cost, financial loans, and access are always problems for middle-income households. The income of city dwellers is decisive to home ownership according to affordability and financing capacity. Litman (2015) recently indicated that the most significant housing stresses are living in more compact neighbourhoods, travelling by walking, cycling, public transit, and crime problems. The factor of renting or buying is often the cause of home ownership that is attended.

2.3 Community Wellbeing and Quality Housing

Well-being is essential in today's society, and home is an essential requirement that should be conducive to creating a family and a prosperous community. A well-equipped residential area with good facilities, as well as a neighbourhood that is able to provide all the necessary amenities, is a good plan, as well as taking into account socio-economic factors in creating sustainable housing. Well-being is necessary in today's society, and a safe community gives birth to a friendly neighbourhood. It further enhances conducive homes that help to form a united family and society. The residential area is equipped with amenities, sound access, and a safe neighbourhood, and it can provide all the necessary amenities for residents.

3. Methodology

This study is based on quantitative methods that measure the factors affecting buyers and their impact on home ownership, especially for urbanites. Buyers and tenants from the middle-income group were asked to answer the questionnaire to measure the dimensions that affect urban residents in owning a home in the future. This method is based on purposeful sampling, focusing on residential areas around Malacca. This study focuses on residential areas around Melaka Tengah town under the Melaka Historic City Council (MBMB) and Hang Tuah Jaya Municipal Council (MPHTJ). FOUR (4) residential areas were selected. The study targeted 30 participants as informants, and the selection criteria were those with an average monthly household income of between RM2,614.00 and RM10,456.00, either living or working in urban areas. The income category is based on the definition of middle household income as stated in the Mid-Term Review Report of the 11th Malaysia Plan (RMK-11)

3.1 Instrument of Research

This study uses the questionnaire provided in 4 sections: Part A, Respondent Demographics; Part B, Market Price and Demand; part C, Socio-economic and Environmental; and Part D, Community Wellbeing. Section A includes background information of study participants such as gender, age, race, category and income of respondents. There were 17 items available for the study participants to answer, namely SIX (6) items for part B, FIVE (5) items for part C and SIX (6) items for part D. A pilot study was conducted on ten respondents to confirm whether there was any problem with the study instrument conducted in terms of language, instruction, content and suitability of items with the age of the study participants. The reliability value of the studied instrument obtained is $\alpha = 0.83$. This instrument was built to focus on the dimensions of market price influence and demand, socio-economic development, and community well-being influencing home ownership decisions by the citizens of Melaka. It is designed to meet the objectives of the study.

4. Data Collection

The study used closed-question types to collect data from respondents. According to Naoum (1999), the closed-form questionnaire is straightforward and easy to question and answer. The survey was distributed to the residents, and 30 were included in the questionnaire. In addition, a face-to-face approach was also carried out during the survey to clarify the questions for the respondents. Therefore, a sample size of 30 respondents out of a total population of 300 people is relevant and practical.

5. Data Analysis and Finding

The Statistical Package for Social Science (SPSS) software analysed the data obtained. Descriptive statistics, such as frequency, percentage, and mean, were used in this questionnaire survey. The findings of the data obtained are as follows.

5.1 Demographic Information of Participants

A total of 30 responses from study participants were analysed for this study. 17 (56.70%) male participants and 13 (43.30%) female participants were involved in the study. The study participants were Malays 20 (66.7%), Chinese 5 (16.7%) and Indian 5 (16.7%). The Tenant category is 20 people (66.7%), and the Owner is 10 people (33.3%). The category of participants by income was less than RM 2500 (23.3%), RM 2501–3500 (46.7%), RM 3501–4500 (20%) and RM 4501–6500 (10%).

5.2 Market Price and Demand

With accurate analysis, this data can provide in-depth analysis capable of helping policymakers and market players control the surge in housing prices that often weigh on home buyers. The findings found that government policies play an essential role in stabilising

the property market and ensuring that house prices remain affordable or affordable. This analysis observes factors that drive demand, such as demographic bias and geographical significance. The results of the market price and demand analysis showed the overall mean value of 4.20 by referring to the decision of the townspeople to own a house as follows. While the deviation for this criterion is 0.504.

Table 1. Market Price and Demand

No.	Item	Mean	Std. Deviation
1	I choose a house that can afford to belong and the price is reasonable.	4.60	0.563
2	I will ensure the price of the house you want to buy according to my financial capabilities	4.60	0.563
3	I choose a house price that matches the selected location	4.27	0.583
4	I love the modern, contemporary and minimalist home design	3.83	0.834
5	I consider the types of terraced, detached and strata houses before buying	3.83	0.834
6	I consider the size of the house and the number of rooms before choosing to buy	4.10	0.803

5.3 Socio-Economic and Environmental

The analysis results provide a clear perspective of the influence of local and national socio-economic development influencing housing ownership for city dwellers. It allows policymakers to identify areas facing sharp price increases and requires specific interventions to control price growth with the increasing population. The trend of population demand needs to be met to solve the problem of surplus housing in less competitive areas even though the strategic areas to be developed are decreasing. In a broader scope, these data play an essential role in analyzing the impact of external factors on housing prices and the socio-economic development of the proposed area. The overall mean for socio-economic and environmental factors influencing a buyer's decision to own a home is 4.10. The standard deviation of socio-economic and environmental factors is 0.542. The values of the mean and standard deviation of each item are shown below:

Table 2. Socio-economic Development

No.	Item	Mean	Std. Deviation
1	I choose a residential area near the workplace	4.10	0.960
2	I choose residential area that was close to shops, schools, clinic, banks and other facilities.	4.20	0.714
3	I tend to choose residential area that is near the city center, shopping malls and others.	4.20	0.714
4	I choose residential area that has complete road, transport and infrastructure facilities	4.20	0.761
5	I like residential area whose environment is green and environmentally friendly.	3.77	0.817

5.4 Community Wellbeing

A crisis such as the pandemic not only threatens the health of society but also has the potential to create economic shockwaves, affecting various sectors, including real estate. The paradigm change by leveraging government changes that emphasise a united society can offer a new dimension in developing more effective strategies to organize residential areas for the well-being of the people. With the community's well-being and the ability to develop society's economy, policymakers must continue to adopt this approach effectively and proactively confront and plan for future changes to provide housing for all walks of life. The overall mean average for community well-being factors influencing a buyer's decision to own a residential home is 4.21. The standard deviation value of this factor is 0.333. In conclusion, progress in the housing industry will be critical to the government's understanding and provide quality and balanced housing according to market prices.

Table 3. Community Wellbeing

No.	Item	Mean	Std. Deviation
1	I consider safety and environmental factors before buying a home	4.60	.498
2	I loved the quiet again reconciling residence	4.33	.711
3	I choose a community-friendly environment and a caring community	4.20	.551
4	I don't care who I'm neighbouring with as long as I respect each other.	4.97	.718
5	I am sensitive about my neighbor's hygiene and health	4.93	.740
6	I like residential area whose environment is green and environmentally friendly.	4.27	.521

6. Discussion

6.1 Market Price and Demand

The demand dramatically influences the market price of the house. If house demand is high, house prices will increase because housing developers will raise prices to optimize their profits. On the other hand, if demand is low, developers may lower prices to attract buyers. If the income of the community increases, they will be able to buy houses at affordable prices. However, if otherwise, house prices should be able to meet the current demand to ensure a balance between sale and home ownership among the urban communities. The availability of financial institutions such as banks to provide reasonable loans within the buyer's ability allows the buyer to own the house according to the appropriate location and mobility facilities. Therefore, the demographic factors of respondents, particularly income turnover, are the main determinants of housing affordability and house price factors that influence the buyer's decision to own a home. Demographic changes, such as family income, affordability, market price, location, home design, type and suitability of house size for family members, influence house demand patterns. The design factor greatly influences home buyers because it is one of the elements most seen and felt by them. A visually attractive home design will make the buyer interested in seeing more. It includes the shape and layout

of the building, the selection of materials, the type of lighting and the colours used. The spaciousness of the house space, such as bedrooms, living rooms, and other things, can attract buyers.

6.2 Socio-Economic and Environmental

Socio-economic development is the process of social and economic development of a society. Sustainability in every dimension of urban development should be balanced between social, economic and environmental needs in the interests of society (Abu Bakar & Jusoh, 2017). Housing is one of the main components of quality of life and sustainable development. This aspect covers public facilities and municipal development. The surrounding environment near the workplace is the choice of buyers, especially the urban community, and facilities such as schools, health clinics and others will increase buyers' attraction. This factor is essential as shoppers will choose to take a weekend vacation at the mall outside of working hours to meet personal demands. In addition to the design of the house itself, the buyer will also consider conditions such as ease of access, public infrastructure, transport system, etc. will be the consideration of the buyer. Socio-economic development is also the process of improving a society's social and economic welfare through various development activities. The main objective of socio-economic development is to improve the standard of living of society as a whole. In socio-economic development, social and economic factors are interrelated and influence each other. Infrastructure development, such as highways, transportation systems, and traffic infrastructure, is critical to support socio-economic growth. With complete convenience, it certainly influences the buyer's decision to buy and own a house for future sustainability. Successful socio-economic development will positively impact society by increasing income, reducing poverty, increasing access to education and health, and developing adequate infrastructure. It will create better conditions for society to achieve sustainable well-being and development.

The green environment in residential areas, which involves plant planting, garden preservation, and green open spaces, and the care of green areas to make them more comfortable, beautiful, and functional for residents, can be a draw for buyers accustomed to urban environments.

Many benefits of the green environment in residential areas, such as cleaner air and a cozy atmosphere with green open spaces, provide a calming atmosphere. The green environment within the residential area is critical to improving the residents' quality of life. Therefore, housing developers and residents must work together to improve and maintain green areas around housing.

6.3 Community Wellbeing

Community well-being refers to community members feeling happy, healthy, and safe and having access to balanced policy needs and opportunities. Community well-being is related to community life's physical, economic, social, and psychological aspects. In order to

achieve the well-being of the community, several important factors need to be observed, such as safety protection, where buyers will also pay attention to the extent to which the housing is equipped with safety care for its residents. Factors such as noise level, safe and maintained access to entry, the availability of fences and security alarm systems, the availability of control and enforcement systems, and contact with security agencies such as PDRM, Fire and others can influence the buyer's decision. A house is a place to live that can be transformed into a workspace, a play area, and a lounge, which requires a quiet place. Shoppers tend to like quiet, peaceful places. The community-friendly environment makes its community attentive to each other. This factor is the choice of a population of different walks of life. Factors with whom they are neighbours should also be taken into account. With the emphasis on the concept of civil society, which is more directed towards a united society regardless of race and race, this factor can contribute to a more stable and united society. Concern for the cleanliness of the residential area, safety, and health issues are also among the buyers' concerns. The community's well-being in the residential area can be measured from several aspects, such as safety and health, directed towards the cooperation of the park community. It also involves access to infrastructure facilities that can form strong social bonds in the community. Infrastructural quality factors such as roads, electricity and water supply and telecommunication facilities by service providers (telcos) are becoming sensitive to the buyer's decision. Community involvement in civil, social, religious, and economic activities can increase social interaction and help each other make a great community. Access to health, education, and cultural facilities will improve community well-being. With easy access to these services, residents can meet basic needs and develop their potential optimally. Cooperation between governments, housing developers, and entire communities is required to improve the well-being of communities in residential areas. Improving the community's quality of life and well-being can be achieved by optimizing public facilities, increasing community engagement, and creating a clean and healthy environment.

7. Conclusion

The government's move to expand affordable housing in the capital is seen as helping to encourage home ownership, especially among low-income and middle-income urbanites. Due to the rising rate of housing prices, finding affordable housing is becoming almost impossible within the city, especially for middle-income groups. Therefore, a review of the decision of city dwellers to own a residential home for the future should be carried out correctly to find a solution to home ownership. Current research supports the view that if affordable housing issues increase, the housing pressures will also increase. The main factors contributing to residential home ownership are market prices and demand not in line with the current situation. The demand dramatically influences the market price of the house. If house demand is high, house prices will increase because housing developers will raise prices to optimize their profits. Therefore, the decision of homebuyers, especially the urban population, to own a home is heavily influenced by the factors of house price, house type, design and overall quality offered by the developer, making it possible for home ownership

to be successfully implemented. Housing is one of the critical components of quality of life and sustainable development. This aspect covers public facilities and municipal development. Socio-economic development influences the decision of the urban community to own residential homes if the facilities provided are affordable for the developer. Factors such as location, public infrastructure, public transport, health and education facilities, and so on greatly influence the results. Developing roads, transport systems, and traffic infrastructure is essential to support socio-economic growth. Complete convenience undoubtedly influences the buyer's decision to purchase and own a home for future sustainability. The workplace location dramatically affects the cost of mobility to the workplace. With the rising cost of living, socio-economic development has dramatically influenced the electorate's decision to own a home, and a strategic location is always an option, even if house prices are higher than in other less strategic areas. Well-being is an important aspect that should be given priority as it is not only a goal at the individual and societal level but also among the visions of a civil society.

Well-being is not just peace, security, and peace in this world and the hereafter, but also refers to balance in life and freedom in financial or physical needs. Well-being at the community level is the ability of members to participate, feel valued as part of society, and stay connected with a social environment consisting of different ethnicities, languages, cultures, and religions. A prosperous society will focus on well-being and sustainable living. It involves the implementation of various policies, guidelines and initiatives aimed at enhancing social relations, cooperation, tolerance, justice and equality, as well as promoting mutual assistance among the communities. Therefore, to inculcate a prosperous community or community, it begins where the community is started. The environment is a condition or atmosphere that supports well-being and should be given attention. A community-friendly environment can improve the quality of the community and encourage them to respect each other. Community concern can contribute to strengthening the safety level of its citizens by forming a quality and responsible KRT team. The average buyer will consider the well-being factors of the community when deciding to buy a home by looking at environmental, residential, communities, and demographics.

Acknowledgments: The author would like to thank the Civil Engineering Department and Politeknik Melaka for all the support.

Conflicts of Interest: The authors declare no conflict of interest.

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