DETERMINANT FACTORS THAT INFLUENCE SME OWNERS' DECISION-MAKING IN CHOOSING A PREMISE FOR ITS BUSINESS

HOR SIEW MUN

MASTER OF BUSINESS ADMINISTRATION

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

DECEMBER 2021

Determinant Factors that Influence SME Owners'
Decision-Making In Choosing A Premise For Its Business

Hor Siew Mun

A research project submitted in partial fulfillment of the
requirement for the degree of

Master of Business Administration

Universiti Tunku Abdul Rahman

Faculty of Accountancy and Management

December 2021

Determinant Factors that Influence SME Owners'
Decision-Making In Choosing A Premise For Its Business

By

Hor Siew Mun

This research project is supervised by:

Dr. Chin Hon Choong
Department of Building & Property Management
Faculty of Accountancy and Management

DECLARATION

I hereby declare that:

1. This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.

2. No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

3. The word count of this research report is _____17814_____.

Name of Student: ___Hor Siew Mun_____

Student ID: ___19UKM00698_____

Signature: _____

Date: ___03-12-2021_____

TABLE OF CONTENTS

List of Tables

List of Figures

List of Abbreviation

CBD   Central Business District

GBI   Green Building Index

MSC   Multimedia Super Corridor

NAPIC   National Property Information Centre

RII   Relative Importance Index

SME   Small and Medium Enterprise

Abstract

Given the importance of small and medium enterprises (SMEs) is arising nowadays and becoming the drivers of economic growth in the country, business owners are paying very little attention devoted to the factors that bring either positive or negative impact to their business performance. With the paucity of research on the business premise selection from the perspective of SMEs, this study aims to identify the determinant factors that influence the SMEs decision in selecting a business premise for their business operations. Property investors or developers will be able to understand the utmost important aspects of property selection of SMEs to reduce property overhang issues, or to design and build properties that cater their requirements. The research was conducted using survey questionnaire to identify the factors that influence the SME owners' business premise decision. This paper analyses surveys from 251 respondents who are SME owners in Malaysia, to investigate the determinant factors as a premise occupier. It is no surprise that location is always the most researched and the most influential determinant factor for organizations in selecting a property. We established a comprehensive set of factors and identify the determinant factors. As a result of the study, our findings produce a different outcome than what we have always expected. The identified factors were used to rank according to the degree of importance level. It turns out that there are other factors influencing the decisions of SME owners. The communality of the determinant factors was categorized across different real estate sectors such as office building, commercial shop lots, retail stores, residential units for commercial purposes, and industrial properties. While analysing the degree of importance of those criteria, findings demonstrated that SME owners' main determinant factors are focusing largely on property attributes, followed by services attributes, locational attributes, affordability attributes and developer attributes.

CHAPTER 1

INTRODUCTION

There are various determinant factors that influence an investor's decision in purchasing a real estate property. Generally, the return rate of investment is the main determination factor from the investor's perspectives because they want to gain maximum profits from their investments. However, individuals purchase a residential property either for their housing purposes or as an investment form to collect rental income. They determine the purchase decision based on return of investment and personal factors such as location, finance capabilities, facilities and infrastructures. The above mentioned factors are more significant for investors and individual homeowners. Numerous studies have been done from the perspectives of property investors and homeowners, except for the determining factors influencing the decision made from the perspectives of Small and Medium Enterprise (SME) owners.

In the real estate property markets, there are several types of properties available for organizations to choose as an activity base to run their business daily operations. The property types include industrial, residential, commercial, shopping malls and development lands. To study the determination factors of a SME premise decision, SME owners' purchasing behaviour vary from investors and homebuyers, due to their requirements and needs are different as they conduct business functions on the selected real estate property, and the element of investment factor will be lower, if compared to property investors and homebuyers.

We need to understand the importance of SMEs contribution to Malaysia's economy. SME owners are usually the decision makers in business premise selection. They understand their business the most as they know what is the best property that satisfies the organization's needs to run the business in order to achieve the goals of profitability. There is a need to have more research that distinguish the determinant factors from different perspectives. We must understand the current property market in Malaysia, defining the types of properties available that can function as business premise. Premise selection decision varies according to the business nature of a SME. For example, logistic providers

1

prefer warehouses that provide high storage capabilities; automobile or luxurious brands prefer showroom retails; organizations in services sector such as insurance agencies, human resources, financial institutions, lawyers or professional consultants prefer commercial properties; manufacturers would need factories or industrial land for self-building purposes. As such, the business nature will affect the SME owners' decision in selecting a business premise.

The main focus of this research project is to identify the determinant factors and how these factors influence the purchasing behavior and buying decision among SME owners in Malaysia. We would see if the results generated from the research project whether locational factor remains as the priority for SME owners in selecting a business premise, or other factors appear to be more critical than locational factor.

1.1   Research Background

Property selection behavior has been changing over the decades and this influences SME in the selection on the type of commercial or industrial property that suits for its business premise. Very limited research could be found explaining the property selection behavior of SMEs especially in Malaysia. Not only that, branding of the property sector may give impact and affect the SMEs property selection decision. Malaysians are brand conscious nowadays and they prefer towards reputable property developers when selecting a property, whether they purchase or lease the property (Cheng and Cheok, 2008). In the past few decades, there are limited choices for SMEs to select a base for their businesses. They would set up their business in a conventional shop lot, regardless the property is aging or has limited parking space. Besides, some SME owners even survived with their businesses in rural areas as what we have seen in the past, where they were doing business inside a "rumah papan" (wooden house). The "3L" (Location! Location! Location!) concept has been widely adopted since last century and three things that determine the price of a real estate is location, location, and location (Kiel and Zabel, 2008). Pearson (1991) defined 3L concept that a real estate value is bound by three location theories – transportation-cost oriented, products of manufacturing facilities focused, and physical and location attributes of a real property. These theories explained that a real estate location must be a locational productive property that is able to provide linkages that are convenient to transfer goods, services, people, and information from one point to another, where land

value is the highest, for example, at central business district (CBD), and real estate value declines as it goes further away from CBD. In other words, the higher the locational productivity of the property, the higher value it attracts.

Business owners' requirements were much lower in the past than now, as long as the location is good enough in making profits for their business. Location is no longer the only determination factor for SME owners in this century. SME owners' selection behavior have changed and demands are shifted tremendously in this new era. In the study of Škevin (2011), it was believed that properties developed by reputable developers will be able to enhance their company image that is inseparable to their business activity. The above-mentioned factors will be investigated if they are associated with the SME owners' decision making process.

It is being observed that the trend in Malaysia property development is heading towards a mixed development. PropertyGuru (2020) defined that a mixed development project consists of properties such as commercial, residential, retail, offices, entertainment or even integrated with public transport facilities. Mixed development provides everything we need for exciting modern living in a large, developed environment. For examples, EkoCheras Mall and Publika Solaris Dutamas. Coming in trends are mixed development projects integrated with shopping malls and hotels. Sunway Velocity is a very good model of this mixed developments. It is able to attract tenants, visitors and shoppers because it is a large integration consists of residential, commercial, offices, cinemas, shopping malls, hospitals, and hotel. Besides, new generation of business owners also changed their working behaviour to a modern workspace such as co-working space or virtual offices, instead of the neighbourhood type of commercial retail shops or office buildings. This 'integrated development' becomes an alternative choice for SMEs to establish for their business base and activities. Perhaps this factor will contribute extraordinary value to the SMEs because it portrays positive impression to their clients too. Therefore, it is crucial that SME owners must be able to select the type(s) of commercial or industrial properties that fit their business activities the most and maximize their organization profit.

The current property market transactions in Malaysia were being studied. Figure 1.1 shows the volume and value of property transaction by Sub-Sector 2019, whereas Figure 1.2 shows the volume and value of property transaction by Sub-Sector 2020. The volume of industrial property transacted is 1.9%, commercial property is 7.8%, development land & others are 5.7%. For year 2020, the volume of industrial property transacted is 1.61%, commercial property is 6.84%, development land and others are 6.17%.

Figure 1.1: Volume & Value by Property Sub-Sector 2019

VOLUME OF PROPERTY TRANSACTION BY SUB-SECTOR 2019

- Dev. Land & Others, 5.70%
- Agricultural, 20.90%
- Industrial, 1.90%
- Commercial, 7.80%
- Residential, 63.70%

VALUE OF PROPERTY TRANSACTION BY SUB-SECTOR 2019

- Dev. Land & Others, 9%
- Agricultural, 8.80%
- Industrial, 10.50%
- Residential, 51.20%
- Commercial, 20.50%
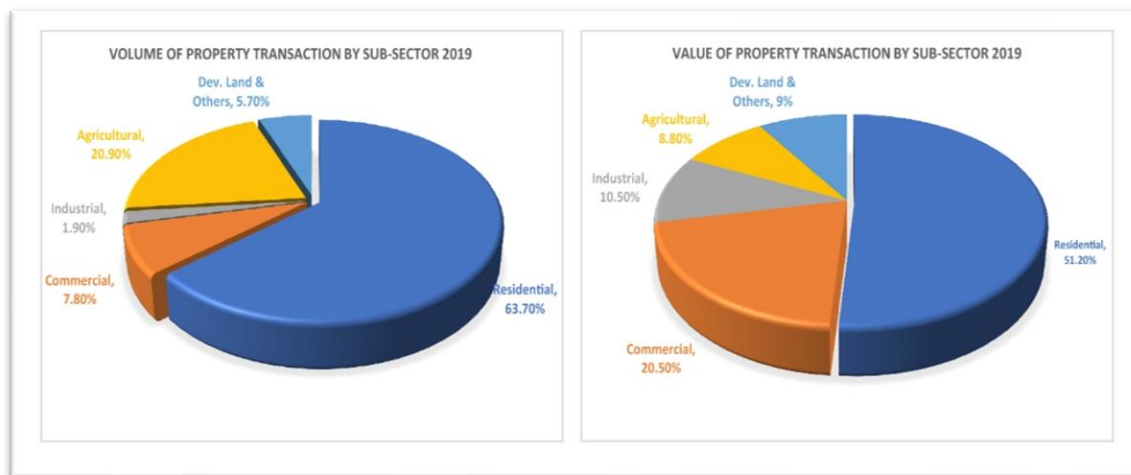
Source: Adapted from *Property Transaction 2019*, by National Property Information Centre (NAPIC), 2020 (https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=11283&pageno=1&search=&inheritRedirect=true). In the public domain.

Figure 1.2: Volume & Value by Property Sub-Sector 2020

VOLUME OF PROPERTY TRANSACTION BY SUB-SECTOR 2020

- Dev. Land & Others 6.17%
- Agricultural 20.72%
- Industrial 1.61%
- Commercial 6.84%
- Residential 64.65%

VALUE OF PROPERTY TRANSACTION BY SUB-SECTOR 2020

- Dev. Land & Others, 7.07%
- Agricultural, 10.50%
- Industrial, 10.72%
- Commercial, 16.40%
- Residential, 55.32%
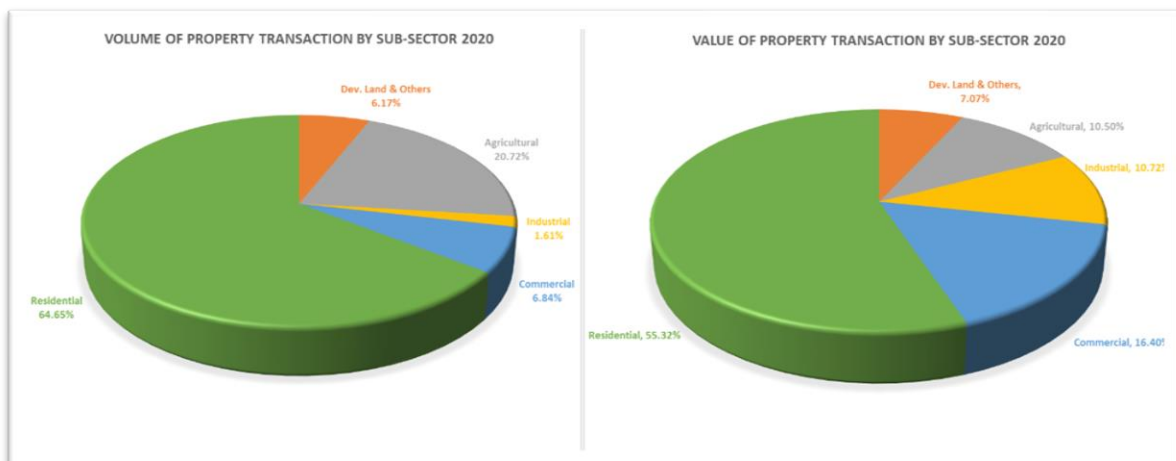
Source: Adapted from *Property Transaction 2020*, by National Property Information Centre (NAPIC), 2020 (https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=14036&pageno=1&search=&inheritRedirect=true). In the public domain.

Moreover, Figure 1.3 shows us the trend of properties overhang situation in Malaysia, from the first half of 2018 until first half of year 2020. The statistics of second half 2020 were not being announced by NAPIC officially yet. Based on this statistic, it is observed that there were increasing of properties overhang in terms of volume and value being transacted for residential, commercial and industrial properties since 2018.

Figure 1.3: Trend of Properties Overhang in Malaysia H1 2018 - H1 2020
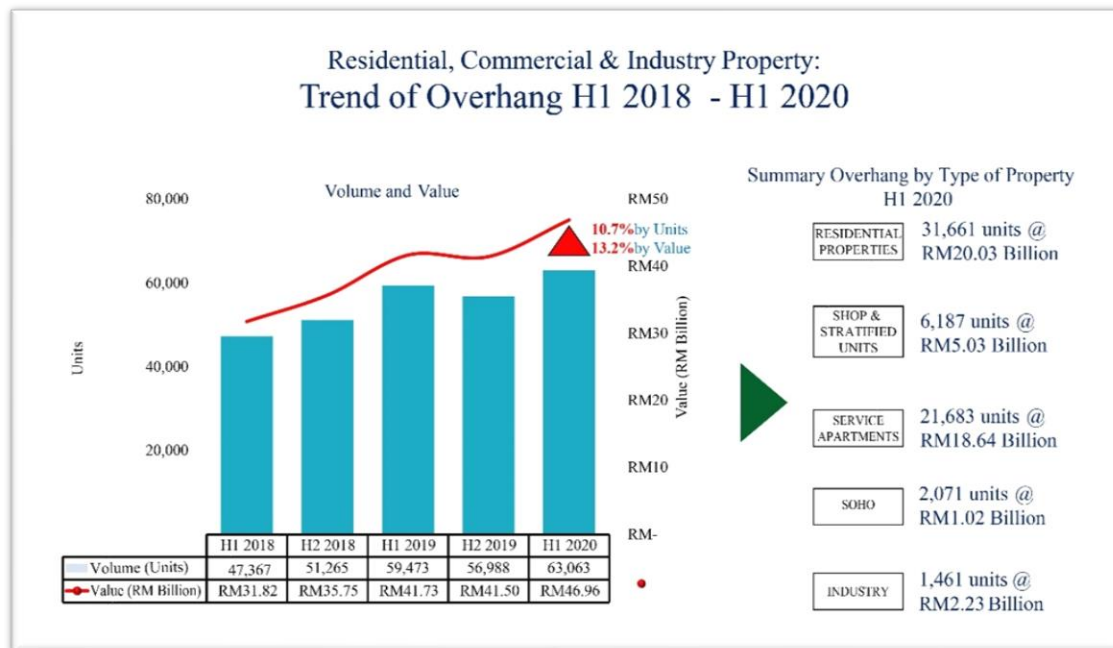
Residential, Commercial & Industry Property:
Trend of Overhang H1 2018 - H1 2020

	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Volume (Units)	47,367	51,265	59,473	56,988	63,063
Value (RM Billion)	RM31.82	RM35.75	RM41.73	RM41.50	RM46.96

10.7% by Units
13.2% by Value

Summary Overhang by Type of Property H1 2020

RESIDENTIAL PROPERTIES	31,661 units @ RM20.03 Billion
SHOP & STRATIFIED UNITS	6,187 units @ RM5.03 Billion
SERVICE APARTMENTS	21,683 units @ RM18.64 Billion
SOHO	2,071 units @ RM1.02 Billion
INDUSTRY	1,461 units @ RM2.23 Billion

The statistics above indicated that there was a decline of volumes transacted among the industrial properties and commercial properties in Malaysia. Properties overhang issues are getting serious since 2018, despite of the emergence of Covid-19, which started to outbreak in Malaysia in March 2020. Property developers and landlords may need to find ways to increase the volume of industrial and commercial properties transactions, providing more attractive properties and schemes peculiarly in targeting all SME owners, to gradually reduce the properties overhang issues in Malaysia.

In addition to the shifted selection behavior, newer generation of business owners change their workspace preferences to virtual offices, and also the changes in business methods leading them to becoming more favorable to conduct business via e-commerce platforms such as Lazada and Shopee. E-commerce platforms have recorded a substantial growth of 450% to 600% in 2020, according to Retail Group Malaysia (as cited in Stratos, 2020). Due to this emergence of e-commerce platforms, online shopping has now overtaken bricks-and-mortar retail. As a result, the sales volume from e-commerce platforms increased dramatically and give a huge impact to the industrial real estate market, because there is a huge demand of spaces for logistics warehousing, especially in this recent Covid-19 pandemic. Retail Futures 2018 (as cited in Sanderson and Edwards, 2014) forecasted

that total store numbers will decrease by 22%, online sales volume will rise from 12.7% (2012) to 21.5% by year 2018. Only warehousing will bring significant growth in demand as an effect of e-commerce and omni-channel distribution models. In contrary, Burt and Sparks (2003) found that e-commerce platforms not only reduce the location barriers but also the demand for commercial real estate which gradually make the location factor becomes less important. In short, the emergence of e-commerce platforms has brought negative impact on commercial properties and less commercial real estate will be transacted.

In comparison to larger firms, for example, multinational companies involve a more complicated property selection process. SME owners usually make decision based on their personal preferences and less parties will be involved in the decision-making process. Multinational companies tend to be "footloose" than SMEs because they are not restricted to their business activity location or resources due to their international coverage (Mazzarol and Choo, 2003). Hence, this study will examine the main determination factors for SMEs in decision-making process and how they purchase or lease a premise for its business activities. The scope of this research will be focusing on business premise selection in the context of commercial and industrial properties that cover malls, offices, commercial shop lots, retail stores, factories and industrial land.

1.2   Problem Statement

It is very common to obtain research articles in relation to factors influencing buyers in buying a residential property for housing purposes, which is clearly depending on individual personal preferences and issues. As we have noticed, research conducted were mainly done for office location factors that influence on corporate image and decision making. Sanderson et al. (2014) supported that most of the studies have been focusing in the office sector when occupiers are looking for new premises instead of other property type. According to Mazzarol and Choo (2003), there is relatively little research on the factors influencing the purchasing decisions of SME owners in relation to industrial land, even though SMEs are the main contributors to the economy and the successful development of industrial estates. It is surprised to learn that very few studies have been conducted in identifying the factors influencing SME owners' decision particularly in selecting a business premise for their business activity purposes, for examples, retail shops,

6

warehouses, factories or showrooms, for their business daily operations. Moore, Tyler and Elliott (1991) commented that there was a research gap on the importance of location factors concerning the industrial sector particularly on SMEs.

It is impossible that a business entity can carry out its business activities without a decent property. Bad selection of a commercial or industrial property can bring adverse impacts on the SME's visibility and business revenues. When SME owners decide to expand their businesses, they may encounter problems in capacity or cost issues with regard to the property selection. SME owners may not be experienced enough in selecting a decent property for their business to sustain in a long run, whether on the selection of location or property type. For instance, they invested a large amount of money either to acquire the property, which is far more expensive than a residential property; or to lease the property that requires high monthly commitments, advanced deposits etc. Business owners also have to invest large amount of money for renovation, purchase of assets and other technology facilities to run the business. When it comes to business expansion or relocation (due to increase or decrease in size), SME owners might need to think twice because SME owners are the main decision makers in property acquisition or leasing. They will put themselves into substantial debts if wrong decision has been made. It is crucial when investing into the real estate especially industrial and commercial properties which may lead them into long-term capital risks. Careful considerations must be made so that the selected business premise meets all the requirements to the best usage of the property and able to generate profits to the owners and occupiers.

As mentioned, most studies conducted are focusing on residential properties or office space selection. Having said that, major concern is on selecting a property suitable for housing purposes or for the usage as a corporate office. Research on other types of businesses is neglected. For instance, manufacturing firms require an industrial land or factory lot for production; jewellery or furniture sellers require a showroom type of retail shop; or courier service providers require shop lots that are close to residential neighbourhood. These commercial and manufacturing clusters of SMEs are significant as main contributors to our country's economy development too but have been neglected by researchers. Without proper guidance on the determination factors, SMEs may face challenges in growing its business and also place themselves into higher financial risk when they have chosen the wrong type of properties for its business. Therefore, there is a research gap for us to discover the influencing factors that affect SMEs premise selection decision.

As illustrated in Figure 1.4, the commercial property sector alone shows an increasing trend of property overhang since year 2015. In year 2019, there was an increasing percentage of 40.9% of units overhang and 49.6% of increment in overhang property value. There is higher chance that the gap in supply and demand of commercial properties will become bigger again in the coming years. More commercial properties overhang in the market because it is forecasted that many enterprises collapsed and went into bankruptcy after the Covid-19 pandemic in 2020.

Figure 1.4: Commercial Property: Trend of Overhang between 2015 - 2019
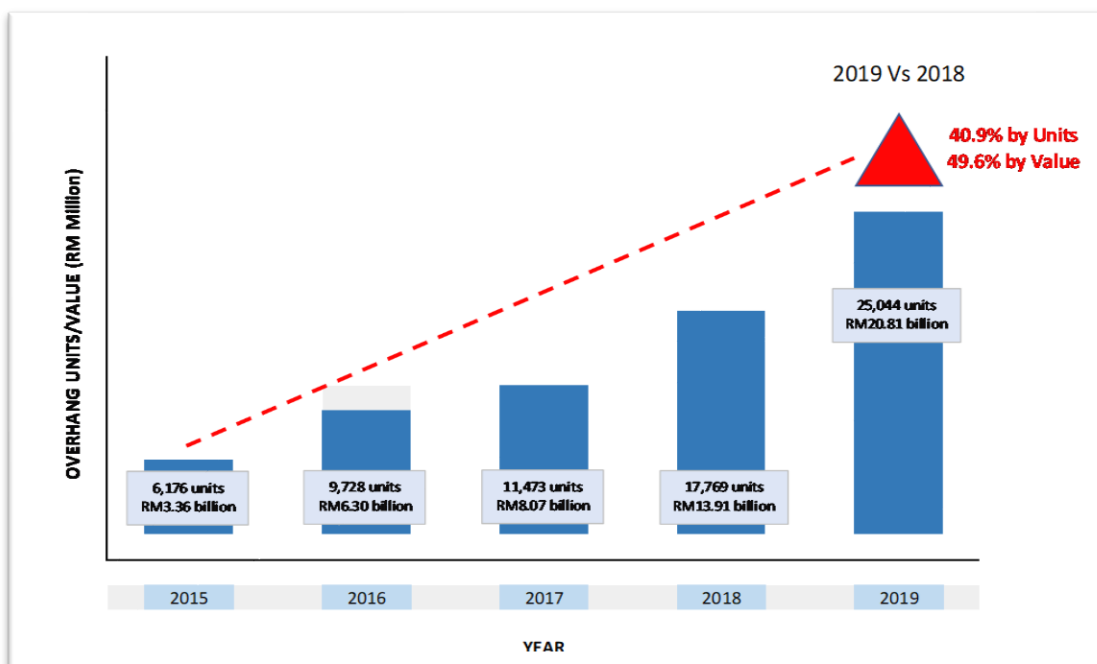
Source: Adapted from *Commercial: Overhang Status 2019*, by National Property Information Centre (NAPIC), 2020 (https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=11300&pageno=1&search=&inheritRedirect=true). In the public domain.

Figure 1.5 below illustrates the demand and supply for industrial properties where the demand was 6,261 units but future supply will be 11,512 units. This will clearly create industrial property overhang because there will be oversupply of industrial properties in Malaysia in the coming years. These figures provide us as references to which we can form as part of our research questions and objectives in the next two sections, and how significant the property overhang issues have become to town planners, property developers and landowners.

Figure 1.5: Industrial Property 2019: Demand Vs Supply by Stage Development
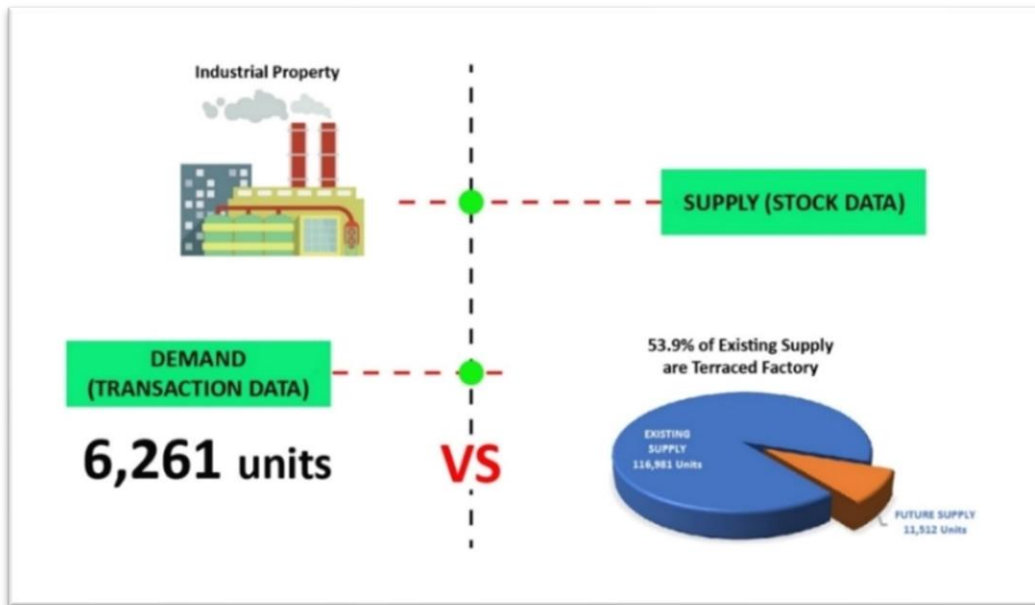
From the statistics above in Figure 1.4 and Figure 1.5, we can see that both commercial and industrial sectors are experiencing property overhang in Malaysia. It is undoubtedly important that if we can identify SME owners' critical decision factors, for property developers and landlords to design and build better properties that fulfill SME owners' requirements so as to minimize property overhang situation in Malaysia.

1.3   Research Questions

Before establishing the research objectives, several research questions were being raised from the research problems. These research questions seek to answer the problems found in Section 1.2 and the questions are aimed to provide clearer path and directions to fill up the research gap that will eventually form as our research objectives. As various factors are influencing the decision-making behavior of SME owners while selecting a business premise, research questions enabled us to determine the factors associated with the criteria that required by SMEs and estimate whether those factors are more influential than one another. The research questions also allow us to describe the extent to which the factors will affect SME owners and their degree of importance level for each factor. Questions set in the research should uncover the top five most influential factors and the

five least influential factors that affect SME owner's decision. As such, the relationship between the determinant factors and premise selection decision can be examined according to their significant level too. In conjunction with that, questions such as what will be the communalities between the determinant factors that are applicable to the relevant property sectors have been raised for this research to investigate whether the same determinant factors can be applied to other property sectors along with the analyses conducted. This research question serves the purpose to explore for implications and recommendations to property developers and landlords if the findings are able to serve as a future reference for them to plan and develop properties that cater SME owners' requirements which can subsequently reduce property overhang issues. Research questions are crucial in formulating and establishing our research objectives as exhibited in Table 1.1.

Table 1.1 Formulation of Research Questions

Research questions	Research objectives
• What are the important factors that SME owners will take into considerations when selecting a business premise for their business operations?	To identify factors that influence SME owners in selecting their business premise
• What would be the importance level of each factor and to what extent it influences SME owners in choosing a business premise? • What are the most influential factors and the least influential factors that will affect SME owners' decision in relation to business premise selection? • Among the independent variables, which attributes have the most significant relationship that will affect SME owners' in selecting a business premise?	To determine the importance level of the identified factors for SME owners in the selection of business premise
• What will be the communalities between the determinant factors that are applicable to the relevant property sectors? • What are the implications that these factors can contribute to the property developers and landlords?	To investigate the common factors that are applicable for various types of commercial and industrial properties including office building, retail stores in shopping mall, commercial shop lots and industrial properties.

1.4   Research Objectives

As for the research objectives, the main goal of this research is to find out what are the determination factors for a SME owner in selecting a commercial or industrial property to run its daily business activities. This study aims to seek answers for the research questions discussed in Section 1.3 and investigate all the determinant factors and rank them according to their level of importance in order to examine the relationships between the types of properties while the SME firms are choosing a particular premise. Upon identifying the factors, the importance level of each factor will be analyzed, and grouped under distinguished components to investigate which are the most significant factors that play as the main influencers. This research draws upon the findings of a survey on small and medium enterprises in Malaysia, to seek for the common factors on how the factors are being applied in various types of properties. In summary, the research objectives formulated from the research questions are as follows:

- To identify factors that influence SME owners in selecting their business premise
- To determine the importance level of the identified factors for SME owners in the selection of business premise
- To explore the common factors applicable for various types of properties

1.5   Significant of Research

The main reason to conduct this research is to provide additional insights on SMEs in the context of Malaysia. The scope of determinant factors that influence SMEs premise selection decision in Malaysia is rarely discussed by the scholars. Majority research conducted were mainly focusing on office space or retail stores and how the location factors of these properties are affecting the property occupier's decision. Other business premises such as industrial land, industrial factories, or commercial shop lots available for SMEs were not being paid attention although these commercial and manufacturing sectors of SMEs are significant contributors to our country's economy growth.

Not only that, different business industry has different requirements in terms of premise selection. The factors that will be investigated in this research may vary from one

11

business and industry to another. Bad decision made will cause negative impacts on SMEs business performance and profitability. Careful selection of business premise becomes vital but due to little research was being done in this context, SMEs may face challenges in identifying the important factors that lead them in making a good premise selection decision. As mentioned earlier, research on other types of business industries and property sectors were neglected. It could be hard for SMEs to discover the problems that affect their business performance and profitability without realizing that they have made the wrong premise selection decisions which are not suitable for their business too. The significant of this research enables us to find out the root cause and important factors to help SME owners settle down in a decent premise at their best usage.

It is noted that the properties overhang situation is getting serious in Malaysia as illustrated in Figure 1.3, 1.4 and 1.5. Property overhang issues could be due to oversupply of properties, or SME firms give up on the business premises due to business failures. Another purpose of this research is to investigate the factors, which contribute to provide insights for property developers as well as landowners, whether it is to reduce the property overhang issues in Malaysia, or becomes a reference for them in their future development projects. The significant of the research was being discussed. It is with expectation that this research can add value and contribute for future research development to minimize the property overhang issues that is concerning the country. Therefore, there is a need to fill this research gap to discover the influencing factors that affect SMEs premise selection decision.

This chapter basically covers the research aims deriving from the discussions of research background. Problems have been identified to formulate the research questions and objectives. Next, we have to look into literatures and researched conducted by other researchers to gain more insights and streamline into the determinant factors that need to be analyzed in this research project. Chapter 2 reflects all the findings done by scholars in the past and how their factors findings can be used in designing research methodology in Chapter 3. Detailed research procedures and framework will be established in under Chapter 3.1 and 3.2. Hypotheses are being developed to prove if the research objectives are being achieved and supported by the data collected after analysis. Chapter 4 interprets all the data collected from the survey and three analyses will be conducted to interpret the findings. Lastly, conclusions and recommendations will be made in Chapter 5, to discuss the achievement of research objectives, implications of the findings and the limitations encountered in this research that can be improved in future research.

CHAPTER 2

LITERATURE REVIEW
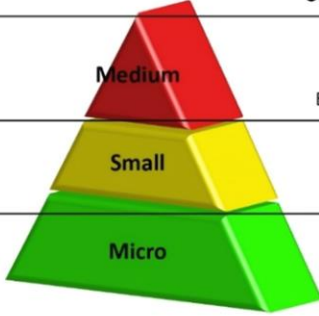
2.0   Introduction

This chapter begins with the definition of Small and Medium Enterprises (SMEs) and the criteria for an organization to fulfill whether it attains a small or medium-sized of enterprise in Malaysia. Its significance to the country in terms of its economic contribution is highlighted. It will be interesting to learn about the purchaser's buying behavior, whether the SME owner is buying or leasing a property. Various considerations factors have been discussed by many scholars. In this section, the highly discussed determinant factors will be assessed, to derive with a comprehensive set of factors that will be used to design for research questionnaire as part of research methodology under Chapter 3.

2.1   Small and Medium Enterprises

SME Corporation Malaysia (or SME Corp. Malaysia) defines that Small and Medium Enterprises (SMEs) must be entities registered with SSM bodies, and the term covers all industries, including services, manufacturing, agriculture, construction, and mining and quarrying. A detailed definition of category for SMEs is shown in Figure 2.1.

Figure 2.1: Definition of SMEs

Source: Adapted from *SME Definitions*, by SME Corporation Malaysia, 2013 (https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-definition). In the public domain.

SMEs become key players in our country economies and make huge contributions to our economic growth. The Statistics Department reported that Malaysia's SME sector achieved a growth of 5.8% in 2019, which made up to 38.9% to Malaysia's overall gross domestic product (GDP). According to the chief statistician, Mahidin (2020) from Malaysia Statistic Department, the services and manufacturing sectors grew by 7.4% and 4.5% respectively in year 2019. Manufacturing, services and other sectors are carrying weight in GDP contributions and we should not neglect their existence in occupying commercial and industrial properties.

According to Chen (2020), commercial properties are real estate properties that used for business activities. It is the types of buildings that provide space for organizations to conduct businesses, which is also a piece of land that is used with the intention to generate business profit or revenue. Generally speaking, commercial property is sold or leased to tenants for business purposes, and to provide a working space instead of a living space. Chen (2020) also referred commercial properties as offices, hotels, petrol stations, shopping malls, restaurants, convenience stores and all kinds of retail shops. On the other hand, Law Insider (n.d.) defined industrial properties are land improvements, where buildings, structures, machinery, equipment, furniture and fixture, are added on the real estate, for manufacturing, warehousing, logistic, distribution facilities, office operation activities and so on. When it comes to decision making process, SME owners will decide upon which type of property meets their business functions the most to maximize the usage of the property in order to increase productivity and profitability for their organizations.

2.2   Purchaser's Buying Behaviour

Property selections are made by SME owners who are normally the owners or founders of the business. It is very important for SME owners when they decide to invest into commercial or industrial property either by purchasing or leasing. SME owners may purchase the property based on personal preferences, because it can be part of their personal investment and then lease it for the company to run its business operations; or it can be the company's long-term investment purposes. Thus, it is crucial for them to choose an ideal property which can fulfill their requirements for future needs, particularly the property which is flexible for future expansion when there is an increase in production capacity or extra working space is required.

Prior to making investment decisions, SME owners should lay their objectives clearly on their requirements. Robinson, Faris and Wind (1967) introduced a "buy-grid" framework that included phases of "buy-class" and "buy-phase", anticipating the decision makers' influences and behaviors in the buying process. In the framework of Robinson et al. (1967), a "buying centre" was formed with a group of cross-departmental members within the organization who are the influencers in the purchase decision process. The larger the firm, the more members involved. Smaller organizations are less likely to involve more parties in the decision-making process. Jonston and Lewin (1996) found that larger firm's "buying centre" will involve with more educated parties with greater experience in relation to their area of expertise, and more effort will be needed to deliberate in the purchase decision process. In contrast, the process for SME firms will be much simpler, and purchase or leasing price is usually the utmost important factor that they consider about during evaluation and selection process. Larger firms are willing to take up higher risk in purchasing or leasing for a property, whereas SME owners face higher purchase risk because their company has to be liable for the long-term property loans, or sometimes the SME owner himself will be liable for substantial personal debts to acquire the property under his own possession. The authors also found that the buying centre from larger firms will rely heavily on external consultants such as relocation consultants, real estate agents, lawyers, accountants and bank managers. Škevin (2011) identified in the survey where majority of the respondents replied that their company had a standard for selecting, designing, equipping and furnishing office space. The survey also aided to Jonston and Lewin's findings where local companies do not have a standard for selecting, designing, equipping and furnishing office space, but larger firms such as multinational companies do have such standards.

However, the purchase decision behaviors and demand have changed over the years, we believe that nowadays smaller firms are also relying on external consultants for relocation, and real estate agents who are specialized in specific types of property because they are the experts who provide professional advice to SME owners. Even SMEs have evolved to establish a standard for selecting and designing a business premise in accordance with their organizational guidelines.

2.3   Consideration factors for SMEs in choosing a business premise

Similar research was done by Sanderson et al. (2014) focusing on what the tenants want in renting a commercial property. Interviews were conducted with occupiers and benefited the landlords by providing them strategic implications so the landlords understand tenants' requirements and preferences when they select a commercial property, covering from industrial, office and retail property in the United Kingdom. Their reasons of choice can also be referred to as consideration factors for the occupiers when choosing a business premise. The consideration factors include location, space layout, size, cost, prestigious business park, transport links, appearance of building, parking, security and others. Their findings shown in Figure 2.2 and Figure 2.3 demonstrated that different occupiers have different reasons and considerations in choosing their premises.

As illustrated in Figure 2.2, industrial premise occupiers considered the location of the industrial park as the priority of their choice, followed by space layout, size, cost, prestigious business park, transport links, and appearance of building. Location is always the top main factor that a premise occupier will choose. Premise occupier usually prefers their premise to have closer proximity to suppliers and customers, especially for manufacturers because it will be easier for them to obtain raw materials and other resources from their suppliers so as to reduce their delivery time.

Figure 2.2: Reasons for Choice of Industrial Units
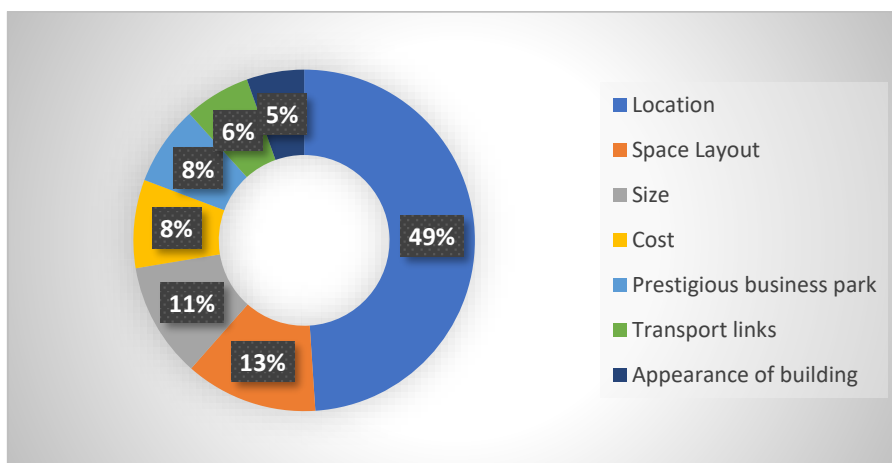
Source: Adapted from "What Tenants Want: UK occupiers' when renting commercial property and strategic implications for landlords", by Sanderson, D. C., & Edwards, V. M. (2014). p. 5. *University of Reading*.

For occupiers who base in industrial units will require bigger space as the usage is mainly for manufacturing, production, and warehousing purposes. Therefore, space layout

and size are important for their business functions. The premise must be spacious for them to carry out their business activities, and the size must be big enough for future expansion and growth. Since there is a growing trend in e-commerce business, the concern in space layout and size will be more important for warehouse occupiers. They will tend to look for a premise which allows them to grow and expand their storage space easily to fulfill their increasing storage needs. Moreover, the reputation of the business or industrial park may be another contributor in selecting a business premise. For example, there are numerous reputable industrial parks within Klang Valley, Malaysia. Majority of the industrial parks are located at Shah Alam, Subang Jaya, Balakong and Semenyih. We can examine if the reputation of the industrial parks is a main decision factor from the perspective of SME owners in Malaysia, and the reasons they have chosen their business premises in the particular industrial park based on the determinant factors.

Most of the scholars concluded that location is the key factor for office space occupiers (Mazzarol & Choo, 2003; Škevin, 2011). Similarly, in the study of Sanderson et al. (2014), office buildings located at prime areas attract higher acquisition or rental prices. Cost factor became the second reason for UK tenants in selecting their offices, followed by size, layout, parking, bright airy offices, image and others, as illustrated in Figure 2.3.

Figure 2.3: Reasons for Choice of Office
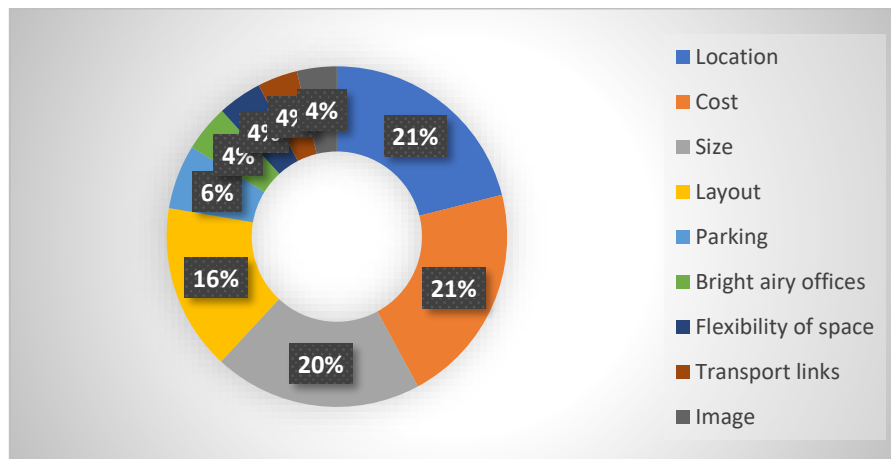
Source: Adapted from "What Tenants Want: UK occupiers' requirements when renting commercial property and strategic implications for landlords", by Sanderson, D. C., & Edwards, V. M. (2014). p. 6. *University of Reading*.

Likewise, there is no doubt that location is the key determinant factor for an occupier to choose for a store in shopping mall. Waszak (2015) supported that location is the most important factor for investors in selecting a shopping mall for investment. From the store manager's point of view, tenant mix, footfall, layout, and mall appearance are the

primary reasons after locational factors. In contrary, in the research of Sanderson et al. (2014), the main consideration factor for retail warehouses or retails parks occupiers is the existing tenant mix that a park possessed. In their survey, location became the eighth important factor for the retail warehouses occupiers when selecting a premise in the United Kingdom.

For the purpose of achieving the research objectives, we derive with a list of critical decision factors that influence SME entrepreneurs in selecting a business premise for this research project. The main determination factors that we will examine for the research project consist of affordability attributes, locational attributes, property attributes, service attributes and developer attributes.

2.3.1 Affordability Attributes

Price is one of the main factors that SME owners will consider when selecting their business premise, be it new acquisition or leasing of the property. SME owners need to justify if the acquisition price or rental price is affordable based on their personal or company financial capabilities. Location plays an important role and also influences on the acquisition and rental price of a property. The more strategic or well-known the location is, the higher the acquisition or rental price. When price is a concern, it will affect the SME owners' decision. Lumbwe, Nwobodo-Anyadiegwu and Mbohwa (2018) commented in their findings that the premise selection decision could not be decided by one person alone when it comes to the organization's financial affordability. Investment decisions on commercial or industrial properties require accurate investment valuation because larger sources of financing are needed due to its nature of a single-time investment (Mazze, 1972; Zavadskas, Ustinovichius & Stasiulionis, 2004). It is important to understand the characteristics of commercial or industrial properties:

1. Higher investments required if compared to residential properties
2. More expenditures incurred to maintain the properties
3. Harder to trade the commercial or industrial property due to lower number of purchasers and sellers in the property market if compared to residential properties
4. Exchange of information and decision-making processes are slower
5. The market for commercial and industrial properties are imperfect

Unlike any other commodities, the above property characteristics will influence SME owners in their decision-making process. Apart from the acquisition price of a property, Sanderson et al. (2014) found that the second factor that affect tenants' decision is the overall cost of renting a property. SME owners may concern on the costs of occupancy, for instance, monthly rental fee, monthly maintenance fees payable to management, cleaning fee, utilities fees, and renovation fees. These monetary considerations were found to be important determinant factors in the study of Adnan and Daud (2010) where rental rate, occupancy costs and other fit out costs influenced the respondents' decision on which office space to choose in Kuala Lumpur, Malaysia.

SME entrepreneurs will be more prudent, taking longer time to consider as they come to investment decision, afraid of making the wrong decision that will place themselves or the organization in a bad financial situation. Despite of acquisition price or rental price, price and costs are also correlated with the size and location of the property. The bigger the size of the property, or the more strategic location of the property, give a huge impact on the price of the property. If the business owners are seeking for a property at prime location, he or she must expect to be able to afford and bear with the high property acquisition or rental price. Similarly, business owners who seek for warehouses with bigger space and decent layout of property, will definitely attract higher price in acquisition and lease too. Financial factor, in this instance, is much depending on the capability of a SME, whether they can obtain mortgage or business loan to make investment decision on the selected business premise as the decision implicates long-term investments for an enterprise.

2.3.2   Location Attributes

Location is the most discussed factor in many research and studies. Scholars often researched on the location factor in their studies focusing mainly on residential properties and office space. Generally, SME owners will decide the business premise based on the location factor. Location is a physical establishment for a firm to construct a factory from a piece of industrial land, or an existing property for entrepreneurs to run its business operation. A property located at a prime location will add value to the property or bring higher profitability to an organization. Researchers believed that location plays a major role affecting the business performance of an organization, either positively or negatively because an organization may go liquidated if wrong location decision is made (Lumbwe et al. 2018; Mazze, 1972). Erbıyık, Özcan and Karaboğa (2012) also supported that the

business premise selection of retail stores will bring an impact to the profitability and sales performance of an organization, as well as the overall success of management. With regard to this, SME entrepreneurs will select the right locations to reach their customers in order to maximize organization's profits.

SME owners make their choices if the location of the premise is nearer to suppliers and customers, closer to key population areas, proximity to public transport, easier in staff recruitment, distance from central business districts, high visibility of premise to public etc. Lumbwe et al. (2018) discussed that SMEs preferred to be located near to customers if SMEs are customer-oriented enterprises, or raw materials that are perishables will cause the enterprises to be influenced by location factor in terms of proximity to suppliers. The findings in Beltina's study (2006) explored into the office space in Riga, a city of Latvia, where good location of office building was the primary factor for the occupiers to choose an office space. Celka (2011) supported that good location of office space provides attractiveness to potential tenants if there is availability of selling information or services.

Khoo, Goh and Ting (2019) stated in their findings that location is one of the most important factors influencing decision making in buying a house, but not for business premise. However, they cited that purchase intention is influenced by proximity to working place and individuals usually prefer to stay nearer to their workplace. Moreover, Sanderson et al. (2014) supported this in allied that office occupiers primary concern on the location factor, where accessibility for employees to the workplace is the main consideration, to support them in car sharing schemes as well as joint schemes with public transport. Furthermore, Mazze (1972) also added that availability of a good public transportation system is a positive factor for a retailer to select the location for a retail store.

The research findings from Sanderson et al. (2014) specialized on commercial properties from the perspectives of landlord and tenants. Their findings showed that location factor is the key consideration for occupiers in choosing for industrial premises, offices and shopping malls, but it is not the main factor for a warehouse occupier. The occupiers' decision factors vary according to their nature of business. In the research of Škevin (2011), 98.7% of respondents in Croatia believe that office space location affects corporate image, which influences the selection of an office space, especially for professional service industries such as lawyers and consultants.

We cannot deny the fact that location factor generally ranks as the first most important determination factor for various types of properties including residential. However, Berry, Kejriwal and Mahajan (2019) has reported in its Deloitte 2020

Commercial Real Estate Outlook that commercial real estate industry has transformed and the 3L (Location! Location! Location!) approach may no longer be applicable. Moving forward, the new mantra for the industry will be *location, experience, analytics.* For the purpose of this research project, location factors will be examined if it remains and ranks as the first determination factor from the SME owners' perspectives.

2.3.3 Property attributes

According to Mazzarol and Choo (2003), size of property land is more important for medium and larger firms than the proximity to customers. In contrast, SME firms may concern more on the proximity to customers hence they are willing to locate their business premise in a smaller size of property so long as the premise is close to their customers. However, for many SME firms that are in the categories of manufacturing and warehousing, size and layout of a property could the most important determinants for them. Manufacturing companies require more space in order to maximize their production capacity. Smaller size of industrial property will not be suitable for production purposes in the consideration that there will be an increase in production order and expansion needed because they have to acquire more assets, hence much space is required. Similarly, warehouses or distribution centres are sprouting as the effect of e-commerce. This may increase the demand on industrial property for warehousing and commercial property (i.e., terrace shop lots) as collection or distribution centres. For owners in manufacturing and warehousing, their main determinant will be on the size of property, the larger the better and preferably with rooms for future expansion. Thus, the size of property factor will be analyzed if it does matter for SME owners in Malaysia.

2.3.4 Services Attributes

Amenities availability (e.g. banks, restaurants, shops, transportation)

Basic amenities include banks, public transports, restaurants and grocery shops are also one of the determination factors for SME owners' choice of business premise. A real estate property that fulfilled with basic amenities are preferred because they can easily access to banks especially business owners who have to deal with high daily bank transactions, and the availability of public transport links that ease the transportation issues

by the staff and customers. Mazzarol and Choo (2003) also found in their research that wholesale, retail and construction firms will be concerned on proximity to public transports.

Building environment (Parking, infrastructure, safety & security)

Other than the above property attribution factors, parking lot availability is also a factor for decision makers in premise selection. Business owners will need to consider for their customers and visitors when they drop by to their premise. They must ensure customers and visitors can easily access to their premise and able to park their cars because poor parking facilities will push away customers due to inconvenience. Beltina (2006) found that parking lot availability is one of the main factors in selecting a class A or B+ office space in Riga. Nowadays, safety and security become a concern to the public and business owners are more likely to choose a business premise that is gated-guarded or with high security protection to prevent from thefts. Warehouse owners may have higher requirement on safety and security protection because they cannot afford to lose their stock without proper safeguards. Sanderson et al. (2014) also added that some companies such as warehouse owners require higher roof, good power supply and infrastructure property. Modern information technology and communication systems emerged to be an important factor as part of the services provided by property developers that can influence SME firm's choice (Adnan et al., 2010). A business premise that has limited parking lots, low security protection facilities, and poor telecommunication infrastructure will be less attractive for business owners. Consequently, these reasons may become another key determination factors that influence SME owners' choice of business premise.

2.3.5   Developer Attributes

The reputation of property developer is becoming an important factor for business owners in premise selection because the better reputation of the property developers provides higher confidence to occupiers. This is supported by Thaker and Sakaran (as cited in Khoo et al, 2019) as property buyers have the preference towards reputable developers because some unknown developers may be unable to complete the project or end up abandon the project due to financial crisis. Škevin (2011) also highlighted that developers play an important role in creating a brand of the building to gain recognition so that property occupiers are able to portray a good image and give positive impression to their customers

and visitors. The respondents in Adnan et al. (2010) also rated the image or branding of the office buildings are important factor as part of their choices. This is consistent to the findings from Sanderson et al. (2014), where one of the respondents commented that the image of the estate and building are vital to give great impression to their customers that they are doing well in their business. Nurzukhrufa et al. (2018) added that occupiers no longer concern about high rental rates due to strategic location factor because they have trust in the image of the developer.

MSC status, green building or other certification requirements

It is also vital for some SME firms to establish at real estate properties that hold the title of MSC (Multimedia Super Corridor) status, GBI (Green Building Index) certified building, or any the property falls under specific industrial zoning. When they come to premise selection process, these certifications or titles become their determination factors that as these certifications are beneficial for their business plans and strategies. Not only that, these certifications assisted the firms in obtaining benefits from government schemes and grant.

Škevin (2011) highlighted that the new trend in real estate development is sustainable development. Green building is becoming significant as socio-psychological component because occupiers are getting concerned on their own psychological health when conducting their work in a building. In addition to green building factor, many believe in energy savings, and working in green building will help to reduce operating costs due to less energy consumption. Furthermore, there is also an increasing demand for buildings with MSC status or modern communication technology because it is part of the requirements set by Malaysia government for certain companies in tendering for government projects. Thus, these become the main reasons for companies that prefer to be located at prestigious Grade A office buildings, prominent business parks MSC status title, or industrial estates that can fulfil their requirements.

Table 2.1 summarizes the findings from various journal articles pertaining to all attributes as mentioned above that will influence a property occupier's decision. The scholars explored into several types of determinant factors across different types of real estate properties adopted by business owners or decision makers of the organizations.

Table 2.1: Summary of findings in relation to property attributes that influence occupier's determination

Authors	Context Type of Property No. of respondents	Attributes				
		Price / Rental	Location	Size / Layout	Property Attributes	Developer's Reputation/Brand
Mazze (1972)	United States Retail stores		•			
Moore et al. (1991)	Europe 1372 respondents	•	•			
Benjamin et al. (2003)	United States Industrial properties	•		•	•	
Mazzarol & Choo (2003)	Australia Commercial properties 450 respondents		•			
Beltina & Labeckis (2006)	Riga Office buildings 99 respondents	•	•		•	
Daud (2010)	Malaysia Office buildings 27 respondents	•	•		•	
Celka (2011)	Poland Office buildings 152 respondents	•	•	•	•	•
Rabianski & Seagraves (2011)	United States Warehouse & distribution center	•	•	•	•	
Škevin (2011)	Croatia Office buildings 290 respondents		•			•
Erbıyık et al. (2012)	Turkey Retail Stores		•			
Sanderson & Edwards (2014)	United Kingdom Commercial properties 970 respondents	•	•	•	•	
Vlachou & Iakovidou (2015)	Greece		•		•	
Sanderson & Edwards (2016)	United Kingdom Office buildings 1334 respondents	•	•	•	•	•
Sanderson (2017)	United Kingdom Retail/office/industrial 4400 respondents	•	•	•	•	
Zhang et al. (2016)	China Commercial properties	•	•	•		
Martyniuk-Pęczek et al. (2017)	Poland 251 respondents		•			
Lumbwe, et al. (2018)	South Africa 56 respondents		•			
Nurzukhrufa et al. (2018)	Indonesia Office buildings 146 respondents	•	•		•	•
Arslan (2019)	Northern Cyprus Residential properties 20 respondents	•	•		•	
Erdoğan (2019)	Turkey Industrial land		•		•	
Rahman & Kabir (2019)	Bangladesh SMEs 15 respondents		•			
Razali et al. (2020)	Malaysia Industrial properties	•	•	•	•	
TOTAL		13	21	8	13	4

After reviewing the research conducted by the above listed scholars in Table 2.1, it is clearly that location is the most studied attribute followed by affordability attributes, property attributes, services attributes and finally the developer attributes or brand image. It is observed that location remains the most influencing determinant factor concluded by most of the researchers. Affordability attributes in relation to property acquisition price and rental are usually the second determinant factor that affects an occupier's decision. Property attributes covering the size and layout of premise and service attributes are the less influencing determinant factors that an occupier will consider when making a premise decision. SME owners' buying behavior could be influenced by their personal factors and attributes of the properties. By doing this research project, we will be able to identify the determinant factors, along with the exploration of correlations among the factors, for example, the location factor is associated with other sub-factors while selecting a business facility. The research shall prove to us if location factor remains as the primary factor, or the degree of importance has shifted to other attributes since purchase behavior has evolved over the decades.

CHAPTER 3

RESEARCH METHODOLOGY

3.0   Introduction

This chapter explained how the study was carried out. Research procedure will be illustrated with a Research Flow Chart (Figure 3.1) where the research stages will be illustrated and explained. Secondly, research framework will be defined. Dependent variables and independent variables are determined in order to provide a clearer picture in developing the hypotheses. Detailed methodology will be discussed in relation to the population and sampling method used to conduct the quantitative research. A set of questionnaires was designed to allow the respondents to think about their determinant factors in selecting a business premise by answering multiple choice questions and Likert Scale for rating purposes. All data collected will be analyzed with three different analysis tests – Factor Analysis, Regression Analysis, and Relative Importance Index, to achieve our research objectives set in Chapter 1.

3.1   Research Procedure

A Research Flow Chart shown in Figure 3.1 is drafted for this final research project. The research project shall be divided into 5 stages. The first stage is to begin with literature review of past research and studies to establish theoretical framework. From the literature reviews, it helps us to identify the determination factors in choosing a property, and streamline further to derive the degree of determination factors that will influence SME owner's decision making in selecting a business premise. Besides, we have the preliminary reviews on the importance level of each factor, and we will be able to build a construct for the final research project to compare with the literature reviews. Subsequently, we are able to determine problem statement, research objectives, research questions and hypotheses for the research project.

Stage 2 is where we will decide the research methodology for the project, and determine the population, sample size needed, sampling method as well as designing the survey questionnaire due to quantitative research will be conducted to collect primary data. Stage 3 is data collection of all the responses from the quantitative research. Self-administered questionnaire will be distributed to the respondents after pre-test of questionnaire has been carried out. All data collected from the survey questionnaire will be gathered and input into SPSS Software. Primary data collected will be analyzed during stage 4, to test if validity and reliability of data are achieved, and also the hypotheses are being rejected or supported. The last stage will be the discussion on the findings to conclude if the evidence gathered can support all hypotheses. Recommendations shall be made to address on the issues identified for future research purposes. The results and findings obtained may also be served as future guidelines for property developers and landlords in both commercial and industrial development projects to meet the requirements of SME owners.

Figure 3.1: Research Flow Chart

RESEARCH FLOW CHART

INPUT	STAGE	OUTPUT
Review literature journals to establish theoretical framework and identify the key determination factors influencing SME owners decision-making in selecting a business premise	Stage 1 Literature Review	- The establishment of theoretical framework - Determinants & importance level are being established - Propose of Research problem/ questions/objectives and hypothesis
- Identify sample and sampling method - Identify survey instrument - Design the questionnaire - Pre-test the questionnaire	Stage 2 Design of Questionnaire	- Targeted respondents of SME owners and sample size being identified - Questionnaire to be developed and tested before final actual distribution
- Distribution of questionnaires to a pool of respondents consists of SME business owners in Malaysia	Stage 3 Data Collection	- Primary data collected for data analysis
- Conduct data analysis using SPSS Software	Stage 4 Data Analysis	- Validity and reliability of data were achieved - Hypotheses tested
- Provide results and presentation from data analysis	Stage 5 Findings & Conclusion	- Conclusion - Recommendations to address the determinants & importance level of each criteria - Guidelines & Suggestions to both SME owners & property developers

3.2 Research Framework

Based on the formulation of research objectives in Chapter 1 and literature review in Chapter 2, the identified independent variables and dependent variable will be further developed into hypotheses. Independent variables are constant variables used to predict or explain what the dependent variables are. We examine the determinant factors such as price, location, size, property attributes, and reputation of developers, and how these independent variables provide an impact and effect to the dependent variable that we wish to predict or explain. Figure 3.2 below is the research framework developed to illustrate the independent and dependent variables:

Figure 3.2: Research Framework

Independent variables
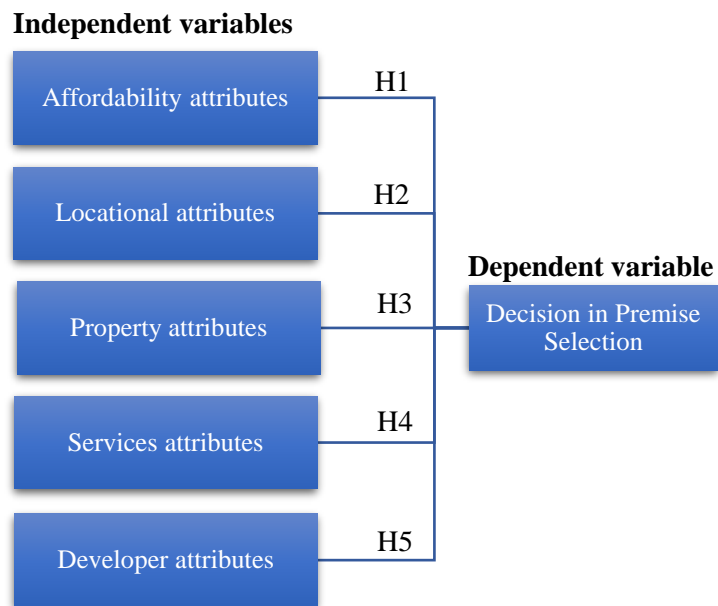
3.3 Hypotheses Development

For the purpose of achieving the research objectives, we arrive at five hypotheses for the research project based on the literature review. We will examine the relationships between the dependent and independent variables through the hypotheses as follows:

Hypothesis 1: There is a significant relationship between Affordability Attributes and premise selection decision

Hypothesis 2: There is a significant relationship between Locational Attributes and premise selection decision

Hypothesis 3: There is a significant relationship between Property Attributes and premise selection decision

Hypothesis 4: There is a significant relationship between Services Attributes and premise selection decision

Hypothesis 5: There is a significant relationship between Developer Attributes and premise selection decision

Celka (2011) pointed that rent or price became the most crucial determinant factor during economic crisis when occupiers consider on the office space selection instead of the locational factors. Sanderson (2015) added to the point of overall renting or occupation costs of business premise are the main consideration based on the study from BOMA &

Kingsley Associates in 2013. According to the study of Benjamin, Zietz and Sirmans (2003), other property attributes such as space, building age, amenities, building characteristics, equipment availability act as supporting factors that influence rental price. It will subsequently affect the occupier's determinant factors in relation to price and costs.

From the research findings in Mazzarol and Choo (2003), SMEs decide their business premise based on its nature of business and size of their companies. Micro or smaller firms determine their business premise location on the basis of proximity to customers, where medium and larger firms do not have much concern on proximity to customers. Rather, they place high importance on proximity to public transport, ease of logistic or accessibility to highways, and nearness to key population areas. Škevin (2011) also added the point in his research that the office space location is positively affecting the companies' selection of an office unit, as this brings great effect in relation to their corporate image. In addition to the locational factor, the office accessibility by the SME owners is a very important factor as discussed in Celka's (2011) study. The company's owner decides the office space location that is near to their home, instead of setting at a prime or strategic location within the CBD areas. In the research of Sanderson (2014), the analysis of interviews with occupiers among industrial, office and retail properties concluded that location of a business premise remains to be the most critical factor that affect occupiers' decision. To achieve the second hypothesis in this research, we have to examine if a location is the critical decision factor of SMEs in selecting a business premise and to what extent.

In the research of Celka (2011), it was found that the size of the office space is one of the determinant criteria in office selection. The findings from Sanderson in 2014, 2016 and 2017 also supported consecutively that the size or layout of the premise is one of the main criteria for the occupiers. Lin and Ben (2009) found that firms are keen to have flexibility in size and space for their future expansion when needed (as cited in Razali et al., 2020). However, the emergence of e-commerce has changed the way that business is conducted. Zhang, Zhu and Ye (2016) found in their research that retail business owners are no longer demand for large premise space and resulting in a drop of commercial property demand. We will continue to examine if the size of layout of property remains one of the main criteria for the occupier's selection decision.

In the research conducted by Nurzukhrufa, Setijanti and Dinapradipta (2018), the main factors that affect occupiers' office space selection are due to property attributes such as building characteristics, accessibility and facilities. The key findings from Sanderson

(2016) include the office building characteristics and amenities affect the building occupiers' satisfaction level. Sanderson's recent study in 2017 also confirmed that the building characteristics or property specification are equally important across the industrial, office, retail shopping centres and retail park sectors. For this research paper, we would like to find out if the property attributes or features discussed will positively affect the SME owners' property selection decision.

From the interview analysis in Sanderson et al. (2014), the respondents' determinant factor is affected by the reputation of the building or brand because they like to stay in prestigious building because it portrays good impression to their clients and business partners that they are doing good in the business. Nurzukhrufa et al. (2018) found that not all occupiers in Indonesia are influenced by prices or rental fees as they believe the developer's image is the more important factors to consider. Occupiers believe that they receive positive value from a class A office building image can bring high level of confidence and impression to their customers and business partners. Thus, we have to examine if there is a positive relationship between SME owners and reputation of developers which will affect them while selecting their business premise.

A quantitative research will be undertaken using a questionnaire developed from the literature reviews. A survey will be carried out to collect primary data. Therefore, a structured questionnaire will be developed and administered to the respondents, in order to identify what are the main criteria that the SME owners consider when making decision in selecting a business premise. Additionally, questionnaire will be administered to rate for the importance level for each criteria. Hopefully, a wide range of data from different industries can be collected as predicted. Therefore, it is possible to categorize them according to different categories, such as manufacturing, services, constructions and retail.

3.4   Population

In order to conduct the survey, it is necessary to aim for SME owners. Hence, the research population of this survey will be SME owners in Malaysia, regardless of any region or states. The SME owners can be tabulated according to different types of industrial or commercial properties where they carry out their business operations. The targeted respondents will be requested to answer the questionnaire because they are the key persons who make decision in choosing the premise, whether for new establishment, expansion or relocation of business.

3.5   Sampling

It is not feasible to cover all the SME owners in Malaysia. For the purpose of this research, 250 SME owners will be randomly selected for the survey. Convenience sampling method will be used for selecting the sample. SME owners through a group of business network which consists of business entrepreneurs will be chosen randomly to answer the questionnaire. Additionally, questionnaire will also be disseminated to friends and acquaintances who are SME entrepreneurs.

3.6   Data Collection Tool

To collect primary data, a structured, closed-ended, multiple choice questionnaire will be prepared and administered according to the sample of respondents selected for the study. Questions are related to general profile of respondents (i.e. information of the SME owners and their business industries), their existing property type to carry out their business functions, preferred attributes or characteristics of their business premises, as well as the importance level of the identified factors in relation to the SME owners' business premise selection process. Respondents will be asked to rate the variables listed in the questionnaires on a Likert scale of 1 to 5 (1 being strongly disagree, 5 strongly agree) in terms of their importance level. A pre-test run has been carried out by distributing the questionnaire to three (3) respondents and feedback received on the questionnaire before the final version of questionnaire was sent out to the target respondents.

3.7   Data Presentation Instruments

Statistical Packages for the Social Sciences (SPSS) software was used for data analysis and hypotheses testing. The data collected will be expected to show that the factors or property attributes have a significant relationship with SME owners' business premise selection. We will analyze the importance of each factor and determine which are the most important attributes that influence SME owners' decision in selecting a business premise. We also explore further if there are other vitiating factors after streamlining from the

literature reviews. To analyze the data collected, we will evaluate them with three analysis tests – Factor analysis, Regression analysis and Relative Importance Index.

3.7.1 Factor Analysis

Factor analysis was used to test if the independent variables conducted from the survey provide similar patterns of responses to create a construct. Because the variables are also known as factors that explain the interrelationships among the variables. The observed variables of determination factors have been identified from literature reviews, whether they are able to form a set of underlying variables that help to measure premise selection decision. To conduct Factor Analysis, we must refer to the guidelines for identifying significance factor loadings based on sample size. The sample size for this research project will be 250 samples, therefore the factor loading required will be 0.35. This factor analysis enables us to achieve our first research objective – to identify and list all factors that influence SME owners in selecting their business premise.

Secondly, factor analysis helps to identify the communality from a set of variables in order for us to achieve the third research objective – to explore the common factors applicable for various types of properties. We test the level of common variance that a variable share with other variables. Items that are highly correlated will share a lot of variances. Since the business premises cover both on industrial and commercial property sectors, we can use factor analysis to identify the common determination factors applicable to different types of properties when it comes to the SME owners' selection decision. We will see if the SME owners who occupy different types of business premise have the same consideration factors when selecting a warehouse, retail shop, office, factory, and shop lot.

3.7.2 Regression Analysis

By using SPSS software, regression analysis will be conducted to predict the value of a dependent variable based on the value of at least one independent variable. For examples: price, location, types of property, property attributes, or reputation of developers are the independent variables. Then regression analysis will explain the impact of each independent variable on the dependent variable, in this case, for instance, how these independent variables will affect the SME owner's decision on premise selection. It is crucial to make assumptions and test the assumptions before we can proceed with the Regression Analysis.

Based on Hypothesis 1 (There is a significant relationship between affordability attributes and premise selection decision), we examine the relationship between the affordability attributes of a property and premise selection decision. Hence,

1. Dependent variable (Y) = Premise selection decision
2. Independent variable (X) = Affordability attributes

Therefore, we need to test if any changes in Y (premise selection decision) are assumed to be related to changes in X (Affordability attributes), which means we need to prove that if the acquisition or rental price of the property are high, premise selection decision (Y) will be positively affected. Same applies to the next Hypothesis 2, 3, 4 and 5.

3.7.3 Relative Importance Index

5-point Likert scale will be used in the questionnaire for respondents to rate from strongly disagree to strongly agree. Subsequently, the data collected from the survey will be analyzed and relative importance of independent variables is calculated. Then the most important criteria or determination factor will be revealed and ranked based on their contribution to Relative Importance Index (RII). This is to help decision makers to set priorities according to the importance level of each factor.

Relative Importance Index is calculated for each of the factors. The formula for the index calculation from Fagbenle et al. (as cited in Ubani, et al., 2015):

$$RI \;=\; \sum \frac{W}{A \times N}$$

W = weighting as assigned on Likert's scale by each respondent in a range from 1 to 5.

1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly disagree

A = the highest weight (here it is 5)

N = total number of the sample

Upon the calculation of this Relative Importance Index, it is expected to identify the 'weight' for each determination factor, and determine if location, price or other factors rank as the first among the determination factors. Relative Importance Index aims to achieve our second research objective - to determine the importance level of the identified factors for SME owners in the selection of business premise.

The methodology and research procedure used for this research have been determined in this section. The procedures stated in the Research Flow Chart (Figure 3.1) must be followed throughout the study. Five independent variables consisted of affordability attributes, location attributes, property attributes, services attributes, and developer attributes are important to be examined if they have significant relationship with the SME owners when making a business premise decision. The distribution of questionnaires to respondents who are SME owners are vital to examine the determinant factors that influence their decisions. It is important to collect all the feedback from the respondents who are SME owners to obtain reliable data and information to proceed with the three different analysis tests – Factor Analysis, Regression Analysis, and Relative Importance Index, to examine their rankings of the determinant factors as well as the significant level of these factors that are influencing business premise selection decision. All the data will be analyzed by using SPSS software and the results will be discussed and explained in the next Chapter.

CHAPTER 4

RESEARCH RESULTS

4.0   Introduction

All the data collected will be analyzed and further interpreted under this chapter. First, the respondents' demographic profile will be examined to ensure that all the respondents fulfilled the criteria of SMEs and represented as a SME owner. A total of 251 responses received from the survey and their demographic profile will be explained. After the list of determinant factors were gathered, they will be grouped under the components with similar characteristics and attributes by using Factor Analysis, which can be subsequently used to rank the determinant factors according to their degree of importance. Not only that, the findings will be assessed and categorized according to the factors together with their applicability to the property sectors. Results will be testified if the hypotheses are being accepted or rejected by using Regression Analysis, to understand which variables are the most significant that influence SME owners' decision making too. Lastly, Relative

Importance Index will also be used to verify the rankings of determinant factors generated by Factor Analysis, if both analyses can achieve a similar result.

4.1   Descriptive analysis on respondents' demographic profile

The research was conducted using online questionnaire targeting on SME owners in Malaysia. The questionnaire is consisted of 45 questions with multiple-choice questions, and also five-point Likert scale questions were used for respondents to rate the level of importance for each variable. A total of 251 responses received from the SME owners through the online survey. As indicated in Table 4.1, 49 (19.5%) respondents were from manufacturing sector, and majority of 202 (80.5%) respondents were from services and other sectors.

Table 4.1: SME Categories

		Frequency
Manufacturing	Less than RM50 million	49
	Less than 200 employees	49
Services & other sectors	Less than RM20 million	202
	Less than 75 employees	202

From the data collected as shown in Table 4.2, we can determine that all the respondents were SME owners. 49 respondents were from manufacturing sector and their annual business turnover were less than RM50 million, having less than 200 employees. On the other hand, there were 202 respondents from services and other sectors where they make less than annual business turnover of RM20 million with less than 75 employees.

Table 4.2: SME criteria

	Frequency	Percent	Valid Percent
Manufacturing	49	19.5	19.5
Services & other sectors	202	80.5	80.5
Total	251	100.0	100.0

Among the 251 respondents, the distribution of percentage according to the types of property that SME owners possessed in conducting their business operations or activities were analyzed. This is tabulated in Figure 4.1 that commercial shop lots constituted the highest percentage of business premise type occupied by the SME owners in this research, followed by office buildings, industrial factories, industrial park, residential units for commercial purpose, retail stores in shopping malls and industrial land.

Figure 4.1: Types of Business Premise
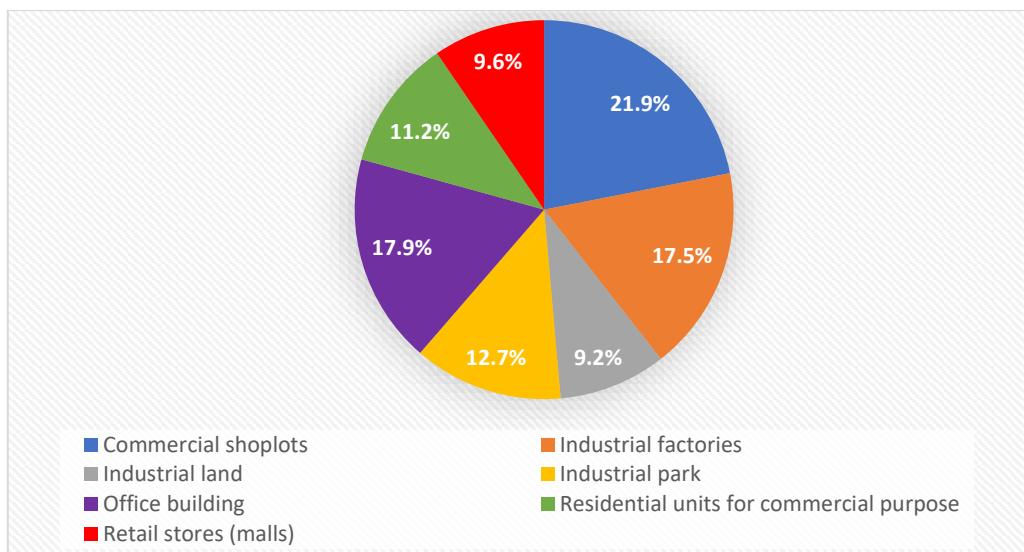
Figure 4.2 illustrated the ownership of business premise and we observed that 76.5% of the SME owners were renting the business premise and only 23.5% of the respondents owned the property to conduct their business activities.

Figure 4.2: Ownership of Business Premise

36
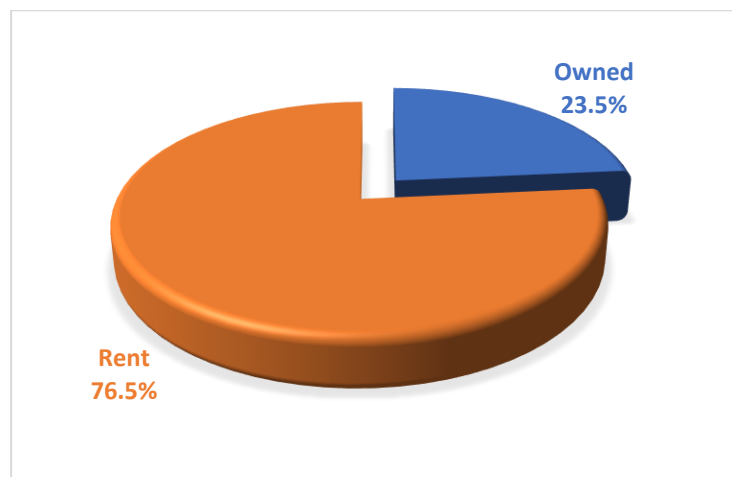
The survey respondents mostly occupied commercial properties as their business premise. 39% of the respondents were paying monthly rental or loan instalment for their usage of business premise ranging from RM5,000 and below as shown in Table 4.3. Furthermore, 35.5% of the SME owners have monthly commitment between RM5,001 to RM10,000, whereas 25.5% of them were paying RM10,001 and above. It is also noted that out of the 25.5% respondents who were paying more than RM10,000 every month were mainly contributed from industrial or manufacturing enterprises, followed by retail store occupiers in shopping malls. There are no surprises that the monthly commitments are higher to occupy industrial properties because the size of industrial properties are much bigger than commercial properties which will attract higher occupancy costs. Besides, those industrial properties or industrial lands located at prime locations or reputable industrial parks will subsequently be more expensive than suburban areas. Likewise, retail stores are paying more than RM10,000 and above for the monthly rental fee or loan instalments peculiarly for those stores located in the prestigious shopping malls or hotels.

Table 4.3: Monthly rental or loan instalment paid for business premise

Monthly rental or loan instalment paid	Frequency	Percent	Types of Business Premise								
			Commercial Properties					Industrial Properties			
			Office building	Retail stores (malls)	Commercial shop lots	Residential units for commercial purpose	Total	Industrial land	Industrial factories	Industrial park	Total
RM10,001 and above	64	25.5%	4	14	2	5	25	10	13	16	39
RM5,001-RM10,000	89	35.5%	14	4	25	2	45	8	23	13	44
RM5,000 and below	98	39.0%	27	6	28	21	82	5	8	3	16
Total	251	100.0%	152					99			

4.2   Factor Analysis

As discussed under the literature review in Chapter 2, several consideration factors for SMEs in selecting a business premise have been identified and hence there are six variable factors and parameters are drawn (Table 4.4) according to their attributes in order to conduct the survey. Questionnaires were set based on the parameters and Likert scale was used for respondents to rate the variables from score of 1 (strongly disagree) to 5 (strongly agree).

Table 4.4: Factors and parameters in selecting a business premise

Factors	Parameters
Affordability Attributes	Monthly rental or amount of loan instalment is an important consideration when I decide to occupy a premise for my business.
	Maintenance fee that I need to pay will influence my decision in selecting a premise for my business operation.
	The renovation and furnishing costs will affect my choice of premise.
Location Attributes	I prefer a premise that is located at a prime and prestige location (eg. CBD area).
	My business premise needs to near to the place I stay.
	I am selecting this premise for my business operation because it is close by to my suppliers
	It is important for my premise to be located near to my customers and business partners
	My business premise needs to be close to the key population areas
	The premise needs to be close to commercial and retail shops
	The premise needs to be close by to public transportation (such as LRT and bus stop)
	The premise needs to be close by to logistic hubs (such as seaport and airport)
	The premise needs to be close to warehouses.
	The premise needs to be close to government offices
	The premise needs to be close by to recreational and sport facilities
Property Attributes	The size of premise needs to be enough in supporting my business operation
	The interior design of the premise is an important consideration factor in selecting a premise for my business
	The layout of the premise will influence my decision in selecting a premise for my business operation.
	The premise needs to be flexible for future expansion and renovation.
	I prefer a premise with MSC status or building that fulfills other certification requirements (such as Green Building, industrial zoning etc).
	I prefer a newly-built building instead of an old building
Service Attributes	The premise has good telecommunication network (eg. High speed internet)
	The premise is ready equipped with utilities such as water and electricity to support my business operation
	The premise has good safety and security services
	The premise has good hygiene facilities
	The premise is equipped with fire protection facilities
	There is sufficient parking space provided to my employees and visitors
Developer Attribute	It is important that the premise that I operate in is built by a reputable developer
	I am concerned on the track record of the developer for the premise that I run my business
	I am willing to pay more if the premise is constructed by a reputable developer
	It is important that the premise is built by an award wining developer who has good track record in construction activity
	I will only select the premise if I have a good feeling with the developer who built it.
Purchase Intention	I prefer to own a premise for my business operation
	I am interested to purchase a premise for my business operation
	I have the intention to purchase a premise for my business operation
	I want to purchase a premise for my business operation.

We assessed the factorability of the data received based on Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity after conducting the survey questionnaire. The Kaiser-Meyer-Olkin value was 0.889, exceeding the recommended value of 0.6 (Kaiser 1970, 1974), so the sampling was adequate for factor analysis. Bartlett's Test of Sphericity also produced the statistical significance value of 0.000 (Table 4.5), where P value is less than 0.05 (P<0.05), indicating that correlations between items were sufficiently large to conduct factor analysis.

Table 4.5: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.889
Bartlett's Test of Sphericity	Approx. Chi-Square	4994.115
	df	465
	Sig.	0.000

Table 4.6 showed the determinant factors that influence the SME owners' decision while selecting a business premise for their business operations and the descriptive statistical analysis was used to rank them according to the degree of importance for each factor. As each variable was measured on a Likert scale from 1 to 5, the determinant factors were ranked according to the mean scores. The higher the mean scores indicated the respondents agreed more on the factor.

The top priority factors comprised of equipped with utilities, good telecommunication network, sufficient parking space for employees and visitors, good safety and security services, and size of premise ranked the top five. This is similar to the works of Rahman and Kabir (2019) where they found in their study that utilities accessibility and suitable space availability constitute to an ideal location factor that influenced SME firms' selection of business premise. With regard to above findings, Mazze (1972) and Adnan et al. (2010) ascertained that sufficient parking space and transportation facilities were important factors to be considered by business owners. As a result of factor analysis, the result was in accordance with the findings of Nurzukhrufa et al. (2018) where physical building factors or property attributes are the most influential factors in the context of office building in Indonesia.

According to Field (2005), standard deviation values that are less than 1.0 means there is a consistency answer among the respondents in selecting the determinant factors, and the factor with lower value of standard deviation should rank first if there were occurrence of same value of mean scores. Thus, two factors of safety and security services and size of premise resulted in the same mean score of 4.1594. To rank these two factors fairly, the factor of safety and security services with lower value of standard deviation at 0.99121 will rank above the size of premise factor. Similarly, the factors of hygiene facilities, and close to commercial and retail shops produced the same mean score of 3.9602. Therefore, the factor of hygiene facilities with lower standard deviation at 0.93723 ranked above the closeness to commercial and retail shops. We will also compare the ranking

generated from factor analysis against the results produced by Relative Importance Index in Section 4.4 if there are any similarities or differences.

Table 4.6: Ranks of determinant factors from the perspective of SME owners

No	Determinant factors	Mean score	Std. Deviation	Mean Ranking
1	Supplied with utilities	4.4382	0.84331	1
2	Telecommunication network	4.2151	1.04381	2
3	Parking space for employees and visitors	4.1793	1.05628	3
4	Safety and security services	4.1594	0.99121	4
5	Size of premise	4.1594	1.10567	5
6	Monthly rental or amount of loan instalment	4.1155	1.08747	6
7	Layout of premise	4.0837	0.89273	7
8	Renovation and furnishing costs	4.0757	0.91556	8
9	Hygiene facilities	3.9602	0.93723	9
10	Close to commercial and retail shops	3.9602	1.02684	10
11	Fire protection facilities	3.9562	1.14981	11
12	Flexibility for future expansion and renovation	3.9363	0.95285	12
13	Close to public transportation	3.7928	1.09768	13
14	Maintenance fee paid	3.7849	1.13205	14
15	Near to the place I stay	3.7450	1.02310	15
16	Newly built building	3.7171	0.94428	16
17	Close to the key population areas	3.6853	1.05477	17
18	Near to customers and business partners	3.6135	1.02667	18
19	Track record of developer	3.4661	1.13572	19
20	MSC status, green building or other certifications	3.4462	1.20004	20
21	Built by a reputable developer	3.4143	1.17798	21
22	Good feeling with the developer	3.4024	1.11060	22
23	Award winning developer	3.3506	1.15784	23
24	Interior design	3.3347	1.31436	24
25	Prime and prestige location	3.2948	1.29951	25
26	Close to my suppliers	2.9323	1.30514	26
27	Pay more for reputable developer	2.8924	1.33880	27
28	Close to warehouses	2.7371	1.30022	28
29	Close to logistic hub	2.7331	1.41013	29
30	Close to recreational and sport facilities	2.4781	1.34555	30
31	Close to government offices	2.2749	1.27755	31

Table 4.7 showed the factor loadings of six components after rotation. The items that clustered on the same components suggest that each component represents the underlying factors of the components. While assessing the above mentioned analysis, SME owners made their business premise selection decision based on these six principal components. The components generated are as follows:

40

(1) Component 1 – Property attributes

(2) Component 2 – Reputable building attributes

(3) Component 3 – Services attributes

(4) Component 4 – Property layout attributes

(5) Component 5 – Accessibility attributes

(6) Component 6 – Locational attributes

Table 4.7: Rotated Component Matrix

		Component					
		1	2	3	4	5	6
Property attributes	Monthly rental	0.860					
	Sufficient parking space	0.854					
	Good communication network	0.822					
	Close to commercial & retail shops	0.792					
	Big space	0.773					
	Fire protection facilities	0.696		0.326			
	Close to public transport	0.623					0.348
	Supplied with utilities	0.542		0.484	0.385		
	Close to government offices	-0.511		0.353		0.458	
Reputable building attributes	Reputable developer		0.851				
	Award winning developer		0.830				
	Good feeling with developer		0.815				
	Concern on developer track record	0.538	0.685				
	Pay more for good developer		0.666				
	New building		0.529		0.359		
	MSC status/Green building		0.486		0.359		-0.334
Services attributes	Good hygiene facilities		0.318	0.723			
	Safety and security services	0.309		0.672			
	Maintenance fee paid			0.647			
	Close to recreational & sports facilities	-0.411	0.335	0.427		0.306	
	Interior design		0.410	0.415	-0.392		
Property layout attributes	Near to the place I stay				0.746		
	Flexible for renovation & expansion				0.684		
	Renovation and finishing costs	0.416			0.581		
	Layout of premise	0.471		0.351	0.543		
	Prime and prestige location		0.342	0.401	-0.428		0.425
Accessibility attributes	Close to warehouses					0.845	
	Close to suppliers					0.837	
	Close to logistic hub					0.832	
Locational attributes	Close to customers & business partners				0.435		0.679
	Close to key populations		0.345	0.358			0.000

The first component has items such as 'monthly rental or amount of loan instalment', 'sufficient parking space', 'good communication network', 'close to commercial and retail shops', 'size is big enough to support business operation', 'equipped with fire protection facilities', 'close by to public transportation', 'supplied with utilities', and 'close to government offices'. These items relate to the characteristics of property attributes. On the

41

second component seven items were loaded in the sequence of 'built by reputable developer', 'developer with good record', 'good feeling towards the developer', 'concern on developer track record', 'willing to pay more on properties built by reputable developer', 'preference on new building', and 'preference MSC status, green building or other certifications'. This component was named as reputable building attributes. Whereas the third component has five items that include 'good hygiene facilities', 'safety and security services', 'maintenance fee paid', 'close to recreational and sports facilities', and 'interior design of the building'. These five items are related to services therefore this component was named as service attributes. The fourth component includes items of 'near to the place SME owners stay', 'flexible to for future renovation and expansion', 'renovation and finishing costs', 'layout of premise', and 'prime and prestige location' are the property layout attributes. The fifth component consisted of accessibility attributes of 'close to warehouses', 'close to suppliers', and 'close to logistic hub'. These items are all related to accessibility to the raw materials and resources availability. The last component is termed as locational attributes because the items 'close to customers and business partners' as well as 'close to key populations' are related to locational factor for the organization to reach its sources of income.

The results generated by factor analysis produced a slightly different outcome with our five pre-determined variables and parameters. A new component of accessibility attributes was generated to distinguish itself from the locational attributes. This could be due to vicinity and accessibility to warehouses, suppliers and logistic hubs are more applicable for manufacturing firms, rather than a main consideration factor for business owners operating in commercial properties because their needs to be near to warehouses, nearness to suppliers and logistic hubs are much lower.

Furthermore, mean scores were computed and enabled us to categorize them according to the six components identified above. With the given mean scores, we ascertained the common determination factors that are applicable to different types of property sectors with the mean scores above 3.0. With reference to the research in Sanderson (2017), the factors or variables were assessed in a path diagram and further categorised by SERVQUAL dimension to table the relevance and applicability of each variable to different types of property sectors. Table 4.8 was created in the similar way to express the communality from a set of variables or factors that are highly correlated and common among the types of properties explored in the survey. Industrial land, industrial factories and industrial parks were grouped together as one industrial property sector due

to the same premise nature they possessed, while the other property types remained as individual property sector.

Table 4.8: Relevance of determinant factors applicability to each property sector

	Factors	Malls	Office	Commercial shop lots	Residential Units for commercial use	Industrial
				Applicability to Property Sector		
Property attributes	Monthly rental	Y	Y	Y	Y	Y
	Sufficient parking space	Y	Y	Y	Y	Y
	Good communication network	Y	Y	Y	Y	Y
	Close to commercial shop lots	Y	Y	Y	Y	Y
	Big space	Y	Y	Y	Y	Y
	Fire protection facilities	Y	Y	Y	Y	Y
	Close to public transport	Y	Y	Y	Y	Y
	Supplied with utilities	Y	Y	Y	Y	Y
	Close to government offices					
Reputable building	Reputable developer	Y	Y	Y	Y	Y
	Award winning developer	Y	Y	Y	Y	Y
	Good feeling with developer	Y	Y	Y	Y	Y
	Concern on developer track record	Y	Y	Y	Y	Y
	Willing to pay more for good developer	Y	Y	Y		
	New building	Y	Y	Y	Y	Y
	MSC status/Green building	Y	Y		Y	Y
Services attributes	Good hygiene facilities	Y	Y	Y	Y	Y
	Safety and security services	Y	Y	Y	Y	Y
	Maintenance fee paid	Y	Y	Y	Y	Y
	Close to recreational & sports facilities					
	Interior design	Y	Y	Y	Y	
Property layout attributes	Near to the place I stay	Y	Y	Y	Y	Y
	Flexible for renovation and expansion	Y	Y	Y	Y	Y
	Renovation and finishing costs	Y	Y	Y	Y	Y
	Layout of premise	Y	Y	Y	Y	Y
	Prime and prestige location	Y	Y	Y		
Accessibility attributes	Close to warehouses					Y
	Close to suppliers					Y
	Close to logistic hub					Y
Locational attributes	Close to customers and business partners	Y	Y	Y	Y	Y
	Close to key populations	Y	Y	Y	Y	Y

The determinant factors discussed in this research are generally applicable to majority of the property sectors as displayed in Table 4.8. SME firms from all types of property sectors are concerning on the property attributes. They will consider on the monthly commitment matters, parking space availability, good communication network, proximity to other commercial shop lots, sufficient space of business premise, equipped with fire protection facilities, proximity to public transport, and equipped with general utilities. Apparently, majority of the respondents that is close to 60% (from Table 4.9) did not prefer to have their business premise to be located near to government offices, only 6.8%

of respondents rated the scale of 5 and 12% rated 4 preferred to be close to government offices. Hence, it was ranked as the last determinant factor for SME firms and it appeared that SME owners did not consider this factor as important when they are selecting a business premise.

Table 4.9: Frequency table for factor of Close to government offices

Close to government offices

	Frequency	Percent
1.00	98	39.0
2.00	50	19.9
3.00	56	22.3
4.00	30	12.0
5.00	17	6.8
Total	251	100.0

Likewise, the factor of nearness to recreational and sports facilities are not taken into consideration in selecting a business premise across all types of property sectors from the perspective of SME owners. Apart from that, the proximity to warehouses, suppliers, and logistic hub are not the main consideration factors when it came to property sector selection except for industrial sector. This is relevant and important for industrial sector which supports the study of Moore et al. (1991). Small and Medium Sized manufacturing firms would prefer to have the business premise that are easily accessible to suppliers.

4.3   Regression Analysis

We conducted a background check at the initial stage. There were seven categories of business premise provided in the survey – malls, office building, commercial shop lots, residential units for commercial use, industrial land, industrial factory and industrial park. Malls, office building, commercial shop lots, residential units for commercial use were group as one category known as commercial properties (Model 1), and industrial land, industrial factory and industrial park were group as industrial properties (Model 2) due to their similar characteristics. The results of minimum (min), maximum (max), mean and standard deviation for both models were as shown in Table 4.10 and Table 4.11.

Table 4.10: Descriptive statistics of variables for Grouped Commercial Properties

Descriptive Statistics

		Mean	Std. Deviation	N
1 - Grouped Commercial Properties	Premise Selection Decision	3.6513	1.15452	152
	Affordability Attributes	4.0658	0.84922	152
	Locational Attributes	3.2189	0.63935	152
	Property Attributes	3.8059	0.73852	152
	Services Attributes	4.3246	0.80693	152
	Developer Attributes	3.4276	0.98655	152

Table 4.11: Descriptive statistics of variables for Grouped Industrial Properties

Descriptive Statistics

		Mean	Std. Deviation	N
2 - Grouped Industrial Properties	Purchase Intention	3.9293	0.84594	99
	Affordability Attributes	3.8788	0.59753	99
	Locational Attributes	3.1818	0.61630	99
	Property Attributes	3.7391	0.47030	99
	Services Attributes	3.8855	0.62888	99
	Developer Attributes	3.1172	0.89534	99

Multiple regression analysis was used to assess the ability of five independent variables, namely Affordability Attributes, Locational Attributes, Property Attributes, Services Attributes and Developer Attributes to predict the factors affecting premise selection decision and to support the research hypotheses. Model Summary and ANOVA results in Table 4.12 and Table 4.13 showed that the R Square and Adjusted R Square values are 29.2% and 26.8% for commercial properties, and 58.2% and 55.9% for industrial properties respectively. This indicated that 29.2% or 58.2% of the variances in premise selection decision were explained by the models. Both models reached the statistical significance where Sig. = .000 which means $p < 0.05$ (Table 4.14 and Table 4.15).

Table 4.12: Model Summary for Grouped Commercial Properties

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1 - Grouped Commercial Properties	.541[a]	0.292	0.268	0.98775	1.808

Table 4.13: Model Summary for Grouped Industrial Properties

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
2 - Grouped Industrial Properties	.763[a]	0.582	0.559	0.56166	1.678

Table 4.14: ANOVA result for Grouped Commercial Properties

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1 - Grouped Commercial Properties	Regression	58.824	5	11.765	12.058	.000[b]
	Residual	142.445	146	0.976		
	Total	201.270	151			

Table 4.15: ANOVA result for Grouped Industrial Properties

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
2 - Grouped Industrial Properties	Regression	40.792	5	8.158	25.861	.000[b]
	Residual	29.338	93	0.315		
	Total	70.130	98			

According to the results in Table 4.16, all the five independent variables were statistically significant with premise selection decision. The model represented the commercial properties category, Property Attributes recorded the highest beta value (Beta = 0.351, p <0.05), and then followed by the Locational Attributes (Beta = 0.152, p >0.05), Services Attributes (Beta = 0.069, p>0.05), Developer Attributes (Beta = 0.040, p>0.05), and Affordability (Beta = 0.017, p>0.05).

On the other hand, the model in Table 4.17 consisted of industrial real estate properties. Services attributes recorded the highest beta value (Beta = 0.598, p <0.05), and then followed by the Property Attributes (Beta = 0.330, p <0.05), Locational Attributes (Beta = 0.16, p>0.05), Developer Attributes (Beta = 0.330, p >0.05), and Affordability Attributes (Beta = 0.519, p>0.05).

46

Table 4.16: Coefficients result for Grouped Commercial Properties

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		B	Std. Error	Beta	Sig.	Tolerance	VIF
1	(Constant)	0.003	0.516		0.995		
	Affordability Attributes	0.023	0.146	0.017	0.876	0.420	2.378
	Locational Attributes	0.275	0.153	0.152	0.074	0.676	1.479
	Property Attributes	0.548	0.207	0.351	0.009	0.276	3.620
	Services Attributes	0.098	0.172	0.069	0.571	0.334	2.995
	Developer Attributes	0.046	0.117	0.040	0.693	0.482	2.077

Table 4.17: Coefficients result for Grouped Industrial Properties

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
		B	Std. Error	Beta	Sig.	Tolerance	VIF
2	(Constant)	0.003	0.488		0.995		
	Affordability Attributes	-0.099	0.152	-0.070	0.519	0.390	2.562
	Locational Attributes	-0.220	0.112	-0.160	0.053	0.674	1.485
	Property Attributes	0.594	0.178	0.330	0.001	0.460	2.175
	Services Attributes	0.805	0.150	0.598	0.000	0.362	2.761
	Developer Attributes	-0.110	0.078	-0.117	0.161	0.660	1.516

According to the results as summarized in Table 4.18, the highest-ranked factor that affected the premise selection decision based on commercial properties is property attributes, the hypothesis (H3) was accepted. The hypothesis (H2) where locational attributes have significant relationship with premise selection decision was accepted. However, the remaining three hypotheses of affordability attributes (H1), services attributes (H4) and developer attributes (H5) were not accepted.

Table 4.18: Reporting the Model for Grouped Commercial Properties

| Variable | Unstandardized Coefficients | | Standardized Coefficients | Sig. | Hypotheses |
	B	Std. Error	Beta		
(Constant)	0.003	0.516		0.995	
Affordability Attributes	0.023	0.146	0.017	0.876	H1 Not Supported
Locational Attributes	0.275	0.153	0.152	0.074	H2 Supported
Property Attributes	0.548	0.207	0.351	0.009	H3 Supported
Services Attributes	0.098	0.172	0.069	0.571	H4 Not Supported
Developer Attributes	0.046	0.117	0.04	0.693	H5 Not Supported

Subsequently, the highest-ranked factor that affected the premise selection decision in the context of grouped industrial properties was services attributes, the hypothesis (H4) was accepted as showed in Table 4.19. Property attributes (H3) ranked as the second factor, followed by locational attributes (H2). Thus, there are three hypotheses were accepted in the context of industrial real estate properties, except that affordability and developer attributes were not accepted.

Table 4.19: Reporting the Model for Grouped Industrial Properties

| Variable | Unstandardized Coefficients | | Standardized Coefficients | Sig. | Hypotheses |
	B	Std. Error	Beta		
(Constant)	0.003	0.488		0.995	
Affordability Attributes	-0.099	0.152	-0.07	0.519	H1 Not Supported
Locational Attributes	-0.22	0.112	-0.16	0.053	H2 Supported
Property Attributes	0.594	0.178	0.33	0.001	H3 Supported
Services Attributes	0.805	0.15	0.598	0.000	H4 Supported
Developer Attributes	-0.11	0.078	-0.117	0.161	H5 Not Supported

The analyses interpreted different results for both commercial properties and industrial properties. Only two hypotheses of locational attributes (H2) and property attributes (H3) have significant relationships on premise selection decision for SME firms in selecting commercial properties. For industrial properties, the research showed that three out of the five hypotheses, namely locational attributes (H2), property attributes (H3) and services attributes (H4) have significant relationship on SMEs premise selection decision. The mutual similarities between these two models that the respondents' major concerns were not focusing on affordability attributes and developer attributes in terms of property or rental price, maintenance fee paid, and renovation or finishing costs, the track record of

property developers, the importance of reputation of developer, and whether or not the developer is an award-winning developer. This is not consistent to the findings in Mazze (1972) that rent and costs of occupancy need to be considered in selecting a retail store. As expected, locational attributes remain as the main determinant factor that SME firms concern on while selecting a commercial property. This reveals that the finding is similar to the results from Adnan et al. (2010), Moore et al. (1991), Rabianski et al. (2011), Sanderson et al. (2014) and Škevin (2011) where location of a property is the most important factor considered by the premise occupiers. Secondly, property attributes will influence the decision in selecting a business premise and this finding is consistent to the study in Sanderson et al. (2016). Physical attribute of the property is the most influential factor amongst the occupiers of office space in United Kingdom.

Industrial properties sector distinguishes itself from commercial properties sector in the sense of services attributes. There is no doubt that utility supplies such as water, electricity, good hygiene and fire protection facilities, as well as high level of safety and security services are highly demanded by manufacturing companies to avoid any business disruptions due to their business nature and manufacturing process. This hypothesis is also supported by the findings in Sanderson (2017) that both office and industrial occupiers considered the amenities, utilities and infrastructure as important criterion under property attributes.

4.4   Relative Importance Index

After the computation of Relative Importance Index (RII) as tabulated in Table 4.20, we can confirm that the result rankings in relation to the importance level for each factor generated from both factor analysis and RII are identical, except that there were similar values produced under RII (Good safety and security services, size of premise, good hygiene facilities, and close by to commercial and retail shops), where they ranked at fourth and eighth respectively. Rather, the ranking from factor analysis provided a more accurate ranking for these four factors because factor analysis produced standard deviation values that helped us to rank them accurately.

The respondents in the study of Rabianski and Seagraves (2011) ranked that building size as the third determinant factor, and on top of that, they identified other physical attributes such as the flexibility for future expansion, provision of infrastructures,

image of the premise, and the safety or security services of the facility. These items coincided with our findings ranked at number one, two, four, ten and nineteen.

Table 4.20: Relative Importance Index

Factors	RII	Ranks
Equipped with utilities such as water and electricity	0.887649	1
Good telecommunication network (eg, high speed internet)	0.843028	2
Sufficient parking space for employees and visitors	0.835857	3
Good safety and security services	0.831873	4
Size of premise	0.831873	4
Monthly rental or amount of loan instalment	0.823108	5
Layout of the premise	0.816733	6
Renovation and furnishing costs	0.815139	7
Good hygiene facilities	0.792032	8
Close by to commercial and retail shops	0.792032	8
Equipped with fire protection facilities	0.791235	9
Flexible for future expansion and renovation	0.787251	10
Close by to public transportation (such as LRT and bus stop)	0.758566	11
Maintenance fee paid	0.756972	12
Near to the place I stay	0.749004	13
Newly built building	0.743426	14
Close by to the key population areas	0.737052	15
Near to my customers and business partners	0.722709	16
Track record of the developer	0.693227	17
MSC status or other certification requirements	0.689243	18
Built by a reputable developer	0.682869	19
Good feeling towards the developer	0.680478	20
Built by an award-winning developer	0.670120	21
Interior design of the premise	0.666932	22
Located at a prime and prestige location	0.658964	23
Close by to my suppliers	0.586454	24
Willing to pay more for reputable developer	0.578486	25
Close by to warehouses	0.547410	26
Close by to logistic hubs (such as seaport and airport)	0.546614	27
Close by to recreational and sports facilities	0.495618	28
Close by to government offices	0.454980	29

Determinant factor ranked at thirteenth where the business premise is preferably to be located near to the SME owners' residences is considered as personal favorable factor that influences their decision in business premise selection. This finding is consistent to the study in Rahman and Kabir (2019) and in accordance with Martyniuk-Pęczek et al. (2017) where SME owners concern on personal factors more than affordability attributes. Entrepreneurs would prefer to establish the business facility close to their home and have better quality of environment. In Celka (2011) and Mazze (1972), accessibility of the

business premise itself on the street was the second key determinant factor because it was important for customers or the boss to be able to arrive at the destination easily.

In this findings the locational factor that influences premise decision in this research appeared not to be the most influential factor and this agrees to the research conducted by Nurzukhrufa et al. (2018). It is possible that not many SMEs prefer for strategic locations particularly at prime locations due to their nature of businesses. This is not in consistent with the results from Martyniuk-Pęczek et al. (2017) concluded that respondents indicated that proximity to the CBD are the second factor influencing location decisions. Celka (2011) also found that location is not the most important consideration factor when it comes to office space selection especially during global economic crisis. Affordability and monetary considerations such as rent and maintenance costs become the most important factors. Occupancy costs such as rental fee, monthly instalment fee, maintenance costs, renovation and finishing costs were determined to be the key considerations in the research of Mazze (1972). In other words, it is possible that location attributes may not always be the priority when it comes to business premise selection.

It can be concluded that the factorability of data collected was adequate for factor analysis. Factor analysis generated six useful components that categorized the all the determinant factors under the following components:

(i)   property attributes,
(ii)   reputable building attributes
(iii)   services attributes
(iv)   property layout attributes
(v)   accessibility attributes
(vi)   locational attributes

The determinant factors were also being ranked according to their degree of importance. The first five factors were supplied with utilities, good telecommunication network, sufficient parking space, good safety and security services and sufficient size of premise. In contrast, the least favorable factors that SME owners will consider were located close to government offices, close to recreational and sport facilities, close to logistic hub, close to warehouses, and they are less likely to pay more for premise that is built by reputable developer. It can be proven that both rankings generated by both Factor Analysis and Relative Importance Index were identical to each other. Comparisons can be made by referring to Table 4.6 and Table 4.20. Additionally, the five hypotheses were being tested

under Section 4.3 and Regression Analysis produced two sets of results for 2 different models – Grouped Commercial Properties and Grouped Industrial Properties. The results showed that hypotheses of locational attributes and property attributes were being supported and have a significant relationship in influencing SME owner's decision when selecting a commercial property. On the other hand, three hypotheses of locational attributes, property attributes, and services attributes were being accepted to having significant relationship in affecting SME owner's decision when choosing an industrial property. Apparently, the accepted hypotheses coincide with the results obtained in Factor Analysis and Relative Importance Index, indicating that business premise selection made by SME owner is heavily influenced by property attributes, services attributes, and locational attributes. Research objectives established under Chapter 3 have been achieved. Additional interpretation and implications of findings will also be discussed further in Chapter 5, with recommendations for future research.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.0   Introduction

As the last part of the chapter, conclusions will be made based on the result findings to conclude that the research objectives have been achieved and the number of hypotheses statements have been accepted in this research. As a result of the study, several implications were identified from Factor Analysis, Regression Analysis and Relative Importance Index. It is noteworthy that with those indications, limitations of the study have been identified and recommendations are being offered under this chapter so as to improve in future research and minimize the research limitations.

5.1   Achieving of Objectives

The first research objective has been achieved by adopting factor analysis. SME owners' main determinant factors were identified and ranked and results shown are

focusing largely on property attributes where business premise is supplied with utilities, having good telecommunication network, sufficient parking space for employees and visitors, good safety and security services, and sufficient size of property to conduct business operation, instead of the locational attributes that are widely discussed by researchers. In contrast, SME owners in Malaysia paid less consideration on the locational attributes on the proximity to government offices, recreational and sports facilities, logistic hubs, warehouses, and they were less likely to pay more to occupy a premise even though it is constructed by a reputable developer. With these findings, we attained our second research objective by ranking the identified factors according to the degree of importance level using Relative Importance Index. In conjunction with the findings from factor analysis, both analyses produced similar results in terms of the ranking of determinant factors. We can conclude that the data collected and analysis were being conducted correctly as the results confirmed that the rankings were accurate.

From the result of the study, regression analysis revealed that the hypotheses of locational attributes and property attributes were being accepted, as both independent variables have significant relationship with the premise selection decision of SME firms when choosing a commercial property. For industrial properties, locational attributes, property attributes, and services attributes were revealed to have significant relationship on SMEs premise selection decision. Furthermore, there are mutual similarities between the two commercial and industrial properties whereby the hypotheses of affordability attributes and developer attributes were not being supported and not having significant relationship in making a premise selection decision.

5.2 Implications

In sum, the result analysis from Factor Analysis, Regression Analysis, and Relative Importance Index affirmed that property attributes factor of an ideal business premise is the most influential factor amongst the respondents in this study. The determinant factors obtained from the analyses were also being used to categorize in tandem with the applicability to each property sector. This data could be beneficial to all property developers and landlords, to design and build higher standards of properties that meet the requirements of SME owners so as to add value to the property markets and to reduce the property overhang issues in Malaysia.

The findings of this study may be useful to real estate developers, town planners and landlords in Malaysia. The identified determinant factors and analyses may serve as foundation for future research and the purchase behavior of SME firms can be evaluated to gain further insights for future development projects and developing future plans for city development. Real estate developers should now consider the importance level of each determinant factor in developing plans for their new construction of projects.

5.3   Limitations and Recommendations

There are several limitations in the research. First, this research covered on the types of properties that SME firms will choose as its business premise but not including its nature of business or industry types, which may subsequently influence the results. Secondly, in terms of the sampling technique, the findings may not represent the entire population because convenience sampling method was adopted. Thirdly, the study is limited by the size of the sample because the research was conducted only on SME firms located at urban areas, The findings may differ if the research is conducted in other states of Malaysia, or rural areas due to dissimilarities in terms of socio-economic aspects. Additionally, this study examined only on five components of determinant factors. Other influential factors might be omitted in the research.

It is recommended that future research may be conducted based on the business nature or industry types of the SMEs, in addition to the property categories and sectors that we have examined in this research. Future study may be conducted on SME firms located at other cities or states to examine if socio-economic aspects influence the business premise selection, which can subsequently increase the sampling size to obtain a more accurate data for analysis purposes. Lastly, to conduct further research, additional factors such as environment factor, building exterior factor, or labour availability factor can be included into the research to increase the scope of study.

References

Adnan, Y. M. & Daud, M. (2010). Factors Influencing Office Building Occupation Decision by Tenants in Kuala Lumpur City Centre - a Delphi Study. *Journal of Design and the Built Environment*, *6*(1), 63–82.

Arslan, G. (2019). *Factors Affecting Investors' Buying Decision in Real Estate Market in Northern Cyprus*.

Beltina, E. & Labeckis, A. (2006). Riga's class A and B+ Office Space: An Analysis of the Main Factors that Determine Consumer Choice. *Stockholm School of Economics (SSE) Riga Working Papers*

Benjamin, J., Zietz, E., & Sirmans, S. (2003). The Environment and Performance of Industrial Real Estate. *Journal of Real Estate Literature*, *11*(3), 279-324.

Berry, J., Kejriwal, S., & Mahajan, S. (2019). *2020 Commercial Real Estate Outlook*. Deloitte. Retrieved September 4, 2020, from https://www2.deloitte.com/us/en/insights/industry/financial-services/commercial-real-estate-outlook.html

Burt, S., & Sparks, L. (2003). E-commerce and the retail process: A review. *Journal of Retailing and Consumer Services*, *10*(5), 275–286. https://doi.org/10.1016/S0969-6989(02)00062-0

Celka, K. (2011). Determinants of office space choice. *Journal of International Studies*, *4*(1), 108–114. https://doi.org/10.14254/2071-8330.2011/4-1/11

Chen, J. (2020). *Commercial Real Estate – CRE*. Investopedia. Retrieved August 18, 2020, From https://www.investopedia.com/terms/c/commercialrealestate.asp

Cheng, F., & Cheok, J. (2008). Importance of branding for property developers in Malaysia. *Sunway Academic Journal*, *5*, 65–81.

Commercial: Overhang Status 2019. (2020). National Property Information Centre (NAPIC). Retrieved September 3, 2020, from https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=11300&pageno=1&search=&inheritRedirect=true

Definition of Industrial Property (n.d.). Law Insider. Retrieved August 17, 2020, from https://www.lawinsider.com/dictionary/industrial-property#:~:text=Industrial%20Property%20means%20a%20Property,processing%2C%20warehousing%20or%20retail%20purposes.

Erbıyık, H., Özcan, S., & Karaboğa, K. (2012). Retail Store Location Selection Problem with Multiple Analytical Hierarchy Process of Decision Making an Application in Turkey. *Procedia - Social and Behavioral Sciences*, *58*, 1405–1414. https://doi.org/10.1016/j.sbspro.2012.09.1125

Erdoğan, G. (2019). Land selection criteria for lights out factory districts during the industry 4.0 process. *Journal of Urban Management*, *8*(3), 377–385. https://doi.org/10.1016/j.jum.2019.01.001

Field, A. P. (2005). *Discovering statistics using SPSS (2nd edition).* London: Sage.

Industrial's Transaction Data 2019. (2020). National Property Information Centre (NAPIC). Retrieved September 3, 2020, from https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=11301&pageno=1&search=&inheritRedirect=true

Johnston, W.J. & Lewin, J.E. (1996) Organizational buying behavior: Toward an integrative framework. Journal of Business Research, 35(1), 1-15. https://doi.org/10.1016/0148-2963(94)00077-8

Khoo, D., Goh, Y.N., & Ting, M.S. (2019). Investigation on Buyers' Purchase Intention of High-Rise Properties in Malaysia in the Era of 4.0. 141, 1–5. Retrieved August 7, 2020, from https://doi.org/10.2991/aebmr.k.200514.001

Kiel, K. A., & Zabel, J. E. (2008). Location, location, location: The 3L Approach to house price determination. *Journal of Housing Economics*, *17*(2), 175–190. https://doi.org/10.1016/j.jhe.2007.12.002

Lumbwe, A. K., Nwobodo-Anyadiegwu, E. N., & Mbohwa, C. (2018). The impact of location decision on small, micro, and medium enterprises' performance in Johannesburg. *Proceedings of the International Conference on Industrial Engineering and Operations Management*, *2018*(JUL), 1205–1216.

Mahidin, M. U. (2020). *Small and Medium Enterprises (SMEs) Performance 2019*. Department of Statistics, Malaysia. Retrieved August 18, 2020, from https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=159&bul_id=VjM1enZ2RmlVRDVTNFAwRWZiZUs3QT09&menu_id=TE5CRUZCblh4ZTZMODZIbmk2aWRRQT09

Malaysia Property Market Outlook 2020. (2019). PropertyGuru. Retrieved August 20, 2020, from https://www.propertyguru.com.my/property-news/2019/12/184857/malaysia-property-market-outlook-2020

Martyniuk-Pęczek, J., Martyniuk, O., Gierusz, A., & Pęczek, G. (2017). Determinants of SME location in a suburban area: Evidence from the Gdańsk-Gdynia-Sopot metropolitan area. *Urbani Izziv*, *28*(1), 122–134. https://doi.org/10.5379/urbani-izziv-en-2017-28-01-004

Mazzarol, T., & Choo, S. (2003). A study of the factors influencing the operating location decisions of small firms. *Property Management*, *21*(2), 190–208. https://doi.org/10.1108/02637470310478918

Mazze, E. M. (1972). Identifying the key factors in retail store location. *Journal of Small Business Management*, *10*(Jan 1972), 17-20.

Moore, B., Tyler, P., & Elliott, D. (1991). The Influence of Regional Development Incentives and Infrastructure on the Location of Small and Medium Sized Companies in Europe. *Urban Studies*, *28*(6), 1001–1026. https://doi.org/10.1080/00420989120081171

Nurzukhrufa, A., Setijanti, P., & Dinapradipta, A. (2018). Factors Influencing Rental Office Selections (Case Studies: Class A Rental Offices Multifunction in Surabaya). *International Journal of Scientific and Research Publications (IJSRP)*, *8*(7), 267–272. https://doi.org/10.29322/ijsrp.8.7.2018.p7942

Overhang all Sector H1 2020. (2020). National Property Information Centre (NAPIC), Retrieved December 1, 2021, from https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=14015&pageno=1&search=&inheritRedirect=true

Pearson, T.D. (1991). Location! Location! Location! What is Location? *The Appraisal Journal*, 59(1), 7.

Property Transaction 2019. (2020). National Property Information Centre (NAPIC). Retrieved September 3, 2020, from https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=11283&pageno=1&search=&inheritRedirect=true

Property Transaction 2020. (2021). National Property Information Centre (NAPIC). Retrieved October 10, 2021, from https://napic.jpph.gov.my/portal/web/guest/stat/viewResult?p_p_id=SearchStatistic_WAR_StatisticsManagementportlet&_SearchStatistic_WAR_StatisticsManagementportlet_action=renderViewItemScreen&itemId=14036&pageno=1&search=&inheritRedirect=true

Rabianski, J. S., & Seagraves, P. A. (2011). Demand for Warehouse and Distribution Center Space. *Real Estate Issues*, *36*(1), 24–35.

Rahman, S. M. T., & Kabir, A. (2019). Factors influencing location choice and cluster pattern of manufacturing small and medium enterprises in cities: evidence from Khulna City of Bangladesh. *Journal of Global Entrepreneurship Research*, *9*(1). https://doi.org/10.1186/s40497-019-0187-x

Razali, N. S., Menan, N. I., Soh, V.T., Neo, L.T., Mahayuddin, N. H., & Rahman, M. S. A. (2020). Factors affecting industrial property value. *International Journal of Scientific and Technology Research*, *9*(1), 212–217.

Retail in Malaysia. (2020). Stratos. Retrieved August 1, 2020, from
https://stratos.com.my/wp-content/uploads/2020/07/2020-05.pdf

Robinson, P.J., Faris, C.W., & Wind, Y. (1967). *Industrial Buying and Creative Marketing,*
Allyn & Bacon, Boston.

Sanderson, D. C. (2017). *Determinants of satisfaction amongst occupiers of commercial
property*. 149–170. https://doi.org/10.15396/eres2015_86

Sanderson, D. C., & Edwards, V. M. (2014). What tenants want: UK occupiers'
requirements when renting commercial property and strategic implications for
landlords (working paper). *University of Reading*, 0–26.
http://centaur.reading.ac.uk/36306/1/wp0314.pdf

Sanderson, D.C. and Edwards, V. M. (2016). Determinants of satisfaction amongst tenants
of UK offices. *Journal of Corporate Real Estate*, *18*(2), 102–131.
https://doi.org/10.1108/JCRE-09-2015-0022

Škevin, P. (2011). Commercial real estate marketing - The importance of office location
on corporate image. *Trziste*.

SME Definitions. (2013). Retrieved August 18, 2020, from
https://www.smecorp.gov.my/index.php/en/policies/2020-02-11-08-01-24/sme-
definition

Ubani, Chinenye, E., & Amade, Benedict, Okorocha, Aku, K., Agwu, A., & Okogbuo, F.
(2015). Project Risk Management Issues in the Nigerian Construction Industry.
International Journal of Engineering and Technical Research (IJETR), 3(1). 217-
232.

Vlachou, C., & Iakovidou, O. (2015). The Evolution of Studies on Business Location
Factors. *Journal of Developmental Entrepreneurship*, *20*(4), 1–24.
https://doi.org/10.1142/S1084946715500235

Waszak, K. (2015). The Key Success Factors of Investing in Shopping Malls on the
Example of Polish Commercial Real Estate Market. (Research Papers, Wroclaw
University of Economics, 2015). 455-468.

What's A Mixed Development And Why Are They Popular? (2020). PropertyGuru.
Retrieved August 18, 2020, from https://www.propertyguru.com.my/property-
guides/what-is-a-mixed-development-22840

Zavadskas, E. K., Ustinovichius, L., & Stasiulionis, A. (2004). Multicriteria valuation of
commercial construction projects for investment purposes. Journal of Civil
Engineering and Management, 10(2), 151–166.
https://doi.org/10.1080/13923730.2004.9636299

Zhang, D., Zhu, P., & Ye, Y. (2016). The effects of E-commerce on the demand for
commercial real estate. *Cities*, *51*, 106–120.
https://doi.org/10.1016/j.cities.2015.11.012

Appendices

Appendix A Survey Questionnaire

A Survey on Determinant Factors that Influence SME owners' Decision-Making in Choosing a Business Premise

This survey is to investigate the determinant factors that affect SME owners' decision in selecting a business premise. We are interested to know your opinion on which factors that influence you the most.

According to SME Corporation Malaysia (2013), a business will be classified as an SME (Small and Medium Enterprises) based on the two criteria of sales turnover and number of full-time employees with the "OR" basis as follows:

i. Under manufacturing sector, companies with sales turnover not exceeding RM50 million OR number of full-time employees not exceeding 200.

ii. Under the services and other sectors, companies with sales turnover not exceeding RM20 million OR number of full-time employees not exceeding 75.

All collected data will be kept strictly confidential and used only for academic purposes.

Your time spent on this research is highly appreciated.

*Required

1. What is your business nature or category? *

   Mark only one oval.

   ◯ Manufacturing   *Skip to question 2*

   ◯ Services & other sectors   *Skip to question 4*

2. What is your business annual income? *

   Mark only one oval.

   ◯ Less than RM50 million

   ◯ More than RM50 million

3. How many full-time employees you have? *

    Mark only one oval.

    ( ) less than 200 employees

    ( ) more than 200 employees

Skip to question 6

Company Information

4. What is your business annual income? *

    Mark only one oval.

    ( ) Less than RM20 million

    ( ) More than RM20 million

5. How many full-time employees you have? *

    Mark only one oval.

    ( ) less than 75 employees

    ( ) more than 75 employees

Skip to question 6

Information on your Business Premise

6. What type of business premise you are currently occupying? *

    Mark only one oval.

    ○ Office building

    ○ Retail stores (malls)

    ○ Commercial shoplots

    ○ Residential units for commercial purpose

    ○ Industrial land

    ○ Industrial factories

    ○ Industrial park

7. Is your business premise a wholly-owned or a rented premise? *

    Mark only one oval.

    ○ Owned

    ○ Rent

8. How much rental fee or loan instalment you are paying every month? (based on your most preferred premise only, if you own multiple business premises) *

    Mark only one oval.

    ○ RM5,000 and below

    ○ RM5,001-RM10,000

    ○ RM10,001 and above

Determinant factors	The followings are related to your consideration in selecting a premise for your business operation. Kindly inform us your agreement on each statement. There is no right nor wrong answer.

9. 1) The premise needs to be close by to recreational and sports facilities *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

10. 2) The size of premise needs to be big enough in supporting my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

11. 3) The premise is ready equipped with utilities such as water and electricity to support my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

12. 4) I am interested to purchase a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

13. 5) It is important that the premise is built by an award winning developer who has good track record in construction activity *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

14. 6) The premise needs to be close by to public transportation (such as LRT and bus stop) *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

15. 7) The premise has good safety and security services *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

16. 8) The premise needs to be close by to logistic hubs (such as seaport and airport) *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

63

17. 9) I have the intention to purchase a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

18. 10) I am selecting this premise for my business operation because it is close by to my suppliers *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

19. 11) The premise needs to be flexible for future expansion and renovation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

20. 12) There is sufficient parking space provided to my employees and visitors *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

21. 13) It is important that the premise that I operate in is built by a reputable developer *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	( )	( )	( )	( )	( )	Strongly agree

22. 14) I am concerned of the track record of the developer for the premise that I run my business *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	( )	( )	( )	( )	( )	Strongly agree

23. 15) My business premise needs to be close to the key population areas *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	( )	( )	( )	( )	( )	Strongly agree

24. 16) The premise needs to be close to commercial and retail shops *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	( )	( )	( )	( )	( )	Strongly agree

25. 17) I will only select the premise if I have a good feeling with the developer who built it *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

26. 18) Monthly rental or amount of loan instalment is an important consideration when I decide to occupy a premise for my business *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

27. 19) Maintenance fee that I need to pay will influence my decision in selecting a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

28. 20) I am willing to pay more if the premise is constructed by a reputable developer *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

29. 21) It is important for my premise to be located near to my customers and business partners *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

30. 22) I prefer to own a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

31. 23) I prefer a newly-built building instead of an old building *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

32. 24) The premise has good telecommunication network (eg, high speed internet) *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

33. 25) The renovation and furnishing costs will affect my choice of premise *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

34. 26) I prefer a premise that is located at a prime and prestige location (eg. CBD area) *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

35. 27) My business premise needs to be near to the place I stay *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

36. 28) The interior design of the premise is an important consideration factor in selecting a premise for my business *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

37. 29) I prefer a premise with MSC status or building that fulfills other certification requirements (such as Green Building, industrial zoning etc) *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

38. 30) The premise is equipped with fire protection facilities *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

39. 31) The layout of the premise will influence my decision in selecting a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

40. 32) I want to purchase a premise for my business operation *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

41. 33) The premise has good hygiene facilities *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

42. 34) The premise needs to be close to warehouses *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

43. 35) The premise needs to be close to government offices *

Mark only one oval.

	1	2	3	4	5	
Strongly disagree	◯	◯	◯	◯	◯	Strongly agree

Decision-making Behaviour

44. How did you select your existing business premise? *

Tick all that apply.

☐ Recommendation by friends or family members
☐ Advertisements/newspaper/social media
☐ Developer's offer & promotion
☐ Recommendation by real estate agent
Other: ☐ _____

70

45. Do you make the premise selection decision on your own? *

Mark only one oval.

○ Yes. I am the sole decision maker.

○ No. I rely on others (ie. friends/family members' opinions).

○ No. I rely on the company's manager.

○ No. It is decided by the company's investors or board of directors.

○ No. I rely on the real estate agent.

○ Other: _____

46. The popularity and demand of e-commerce are growing nowadays. Will this affect your business premise consideration? *

Mark only one oval.

○ Yes

○ No

○ Maybe

47. Does the Covid-19 pandemic affect your decision to move to another type of business premise? *

Mark only one oval.

○ Yes

○ No

Appendix B Findings Analysis from SPSS

Frequency Table

DI01

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Manufacturing	49	19.5	19.5	19.5
	Services & other sectors	202	80.5	80.5	100.0
	Total	251	100.0	100.0	

DI02

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM20 million	202	80.5	80.5	80.5
	Less than RM50 million	49	19.5	19.5	100.0
	Total	251	100.0	100.0	

DI03

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 200 employees	49	19.5	19.5	19.5
	less than 75 employees	202	80.5	80.5	100.0
	Total	251	100.0	100.0	

DI04

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Commercial shoplots	55	21.9	21.9	21.9
	Industrial factories	44	17.5	17.5	39.4
	Industrial land	23	9.2	9.2	48.6
	Industrial park	32	12.7	12.7	61.4
	Office building	45	17.9	17.9	79.3
	Residential units for commercial purpose	28	11.2	11.2	90.4
	Retail stores (malls)	24	9.6	9.6	100.0
	Total	251	100.0	100.0	

DI05

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owned	59	23.5	23.5	23.5
	Rent	192	76.5	76.5	100.0
	Total	251	100.0	100.0	

DI06

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM10,001 and above	64	25.5	25.5	25.5
	RM5,000 and below	98	39.0	39.0	64.5
	RM5,001-RM10,000	89	35.5	35.5	100.0
	Total	251	100.0	100.0	

DI06 * DI04 Crosstabulation

Count

		DI04							Total
		1	2	3	4	5	6	7	
DI06	RM10,001 and above	4	14	2	5	10	13	16	64
	RM5,000 and below	27	6	28	21	5	8	3	98
	RM5,001-RM10,000	14	4	25	2	8	23	13	89
Total		45	24	55	28	23	44	32	251

73

Factor Analysis

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
V01	2.4781	1.34555	251
V02	4.1594	1.10567	251
V03	4.4382	.84331	251
V05	3.3506	1.15784	251
V06	3.7928	1.09768	251
V07	4.1594	.99121	251
V08	2.7331	1.41013	251
V10	2.9323	1.30514	251
V11	3.9363	.95285	251
V12	4.1793	1.05628	251
V13	3.4143	1.17798	251
V14	3.4661	1.13572	251
V15	3.6853	1.05477	251
V16	3.9602	1.02684	251
V17	3.4024	1.11060	251
V18	4.1155	1.08747	251
V19	3.7849	1.13205	251
V20	2.8924	1.33880	251
V21	3.6135	1.02667	251
V23	3.7171	.94428	251
V24	4.2151	1.04381	251
V25	4.0757	.91556	251
V26	3.2948	1.29951	251
V27	3.7450	1.02310	251
V28	3.3347	1.31436	251
V29	3.4462	1.20004	251
V30	3.9562	1.14981	251
V31	4.0837	.89273	251
V33	3.9602	.93723	251
V34	2.7371	1.30022	251
V35	2.2749	1.27755	251

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.889
Bartlett's Test of Sphericity	Approx. Chi-Square	4994.115
	df	465
	Sig.	.000

74

Communalities

	Initial	Extraction
V01	1.000	.561
V02	1.000	.628
V03	1.000	.719
V05	1.000	.735
V06	1.000	.624
V07	1.000	.631
V08	1.000	.725
V10	1.000	.742
V11	1.000	.626
V12	1.000	.788
V13	1.000	.805
V14	1.000	.774
V15	1.000	.712
V16	1.000	.747
V17	1.000	.727
V18	1.000	.798
V19	1.000	.500
V20	1.000	.686
V21	1.000	.740
V23	1.000	.568
V24	1.000	.736
V25	1.000	.622
V26	1.000	.744
V27	1.000	.607
V28	1.000	.667
V29	1.000	.551
V30	1.000	.638
V31	1.000	.727
V33	1.000	.708
V34	1.000	.779
V35	1.000	.683

Extraction Method: Principal
Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.950	28.871	28.871	8.950	28.871	28.871	6.121	19.744	19.744
2	4.781	15.423	44.294	4.781	15.423	44.294	4.487	14.474	34.218
3	2.722	8.782	53.076	2.722	8.782	53.076	3.087	9.959	44.177
4	2.120	6.839	59.916	2.120	6.839	59.916	2.952	9.522	53.699
5	1.622	5.233	65.149	1.622	5.233	65.149	2.863	9.236	62.935
6	1.101	3.551	68.700	1.101	3.551	68.700	1.787	5.765	68.700
7	.895	2.887	71.587						
8	.725	2.340	73.927						
9	.664	2.142	76.069						
10	.636	2.052	78.121						
11	.594	1.916	80.036						
12	.565	1.823	81.859						
13	.539	1.737	83.596						
14	.488	1.573	85.169						
15	.428	1.381	86.550						
16	.419	1.351	87.901						
17	.405	1.305	89.207						
18	.355	1.145	90.352						
19	.338	1.090	91.442						
20	.318	1.026	92.468						
21	.309	.996	93.464						
22	.287	.924	94.388						
23	.260	.839	95.226						
24	.241	.776	96.003						
25	.206	.666	96.669						
26	.204	.657	97.325						
27	.189	.610	97.935						
28	.187	.603	98.538						
29	.160	.517	99.055						
30	.157	.506	99.561						
31	.136	.439	100.000						

Extraction Method: Principal Component Analysis.

Scree Plot
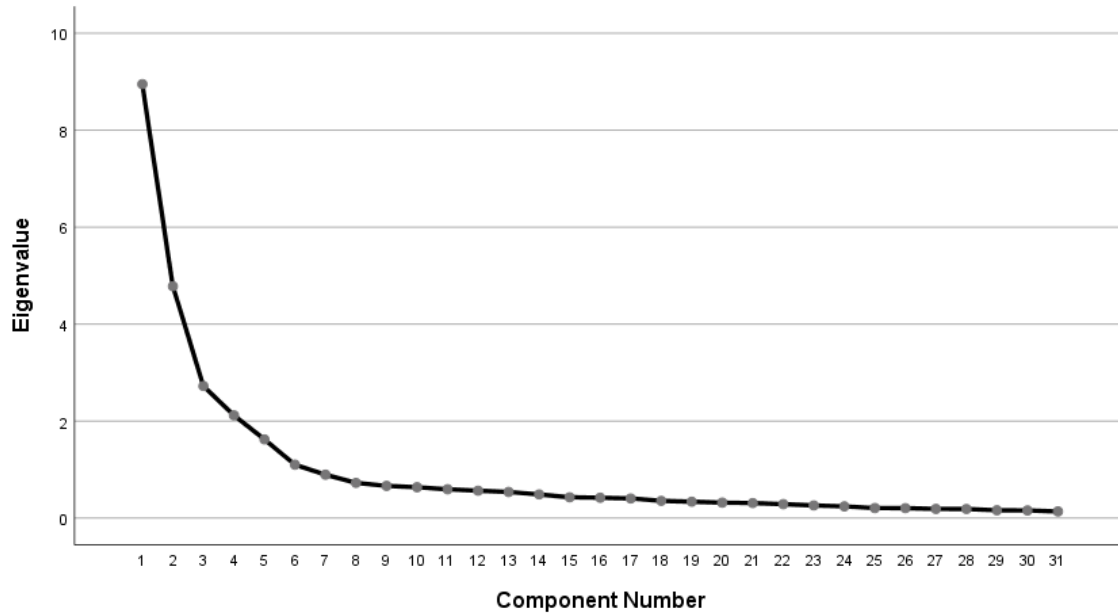
Component Matrix[a]

	Component					
	1	2	3	4	5	6
V14	.713				-.508	
V16	.706	-.362				
V12	.697	-.495				
V30	.691					
V31	.679	-.320	-.337			
V07	.671				.323	
V03	.667	-.375				
V06	.665		.327			
V24	.664	-.424	.309			
V33	.664					.318
V18	.657	-.566				
V23	.615		-.325			
V25	.591	-.324	-.344			
V11	.572			.446		
V15	.510	.371				-.381
V28	.504	.390	.358	-.360		
V02	.504	-.493				
V17	.498	.441	-.364		-.386	
V26	.493	.382	.373	-.439		
V19	.463				.449	
V35		.754				
V01		.679				
V13	.562	.585				
V05	.487	.576			-.338	
V20	.495	.530				
V08		.405	.641	.351		
V10		.321	.557	.524		
V34		.341	.538	.573		
V27	.369		-.339	.554		
V29	.356			.401		.332
V21	.495				.377	-.495

Extraction Method: Principal Component Analysis.

a. 6 components extracted.

Rotated Component Matrix[a]

	Component					
	1	2	3	4	5	6
V18	.860					
V12	.854					
V24	.822					
V16	.792					
V02	.773					
V30	.696		.326			
V06	.623					.348
V03	.542		.484	.385		
V35	-.511		.353		.458	
V13		.851				
V05		.830				
V17		.815				
V14	.538	.685				
V20		.666				
V23		.529		.359		
V29		.486		.359		-.334
V33		.318	.723			
V07	.309		.672			
V19			.647			
V01	-.411	.335	.427		.306	
V28		.410	.415	-.392		
V27				.746		
V11				.684		
V25	.416			.581		
V31	.471		.351	.543		
V26		.342	.401	-.428		.425
V34					.845	
V10					.837	
V08					.832	
V21				.435		.679
V15		.345	.358			.678

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 6 iterations.

78

Ranking from Factor Analysis

Descriptive Statistics

	N	Mean	Std. Deviation
V03	251	4.4382	.84331
V24	251	4.2151	1.04381
V12	251	4.1793	1.05628
V02	251	4.1594	1.10567
V07	251	4.1594	.99121
V18	251	4.1155	1.08747
V31	251	4.0837	.89273
V25	251	4.0757	.91556
V33	251	3.9602	.93723
V16	251	3.9602	1.02684
V30	251	3.9562	1.14981
V11	251	3.9363	.95285
V06	251	3.7928	1.09768
V19	251	3.7849	1.13205
V27	251	3.7450	1.02310
V23	251	3.7171	.94428
V15	251	3.6853	1.05477
V21	251	3.6135	1.02667
V14	251	3.4661	1.13572
V29	251	3.4462	1.20004
V13	251	3.4143	1.17798
V17	251	3.4024	1.11060
V05	251	3.3506	1.15784
V28	251	3.3347	1.31436
V26	251	3.2948	1.29951
V10	251	2.9323	1.30514
V20	251	2.8924	1.33880
V34	251	2.7371	1.30022
V08	251	2.7331	1.41013
V01	251	2.4781	1.34555
V35	251	2.2749	1.27755
Valid N (listwise)	251		

REGRESSION ANALYSIS

GROUPED_COMMERCIAL

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.541[a]	.292	.268	.98775

a. Predictors: (Constant), Developer Attributes, Affordability Attributes, Locational Attributes, Services Attributes, Property Attributes

b. Dependent Variable: Purchase Intention

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.824	5	11.765	12.058	.000[b]
	Residual	142.445	146	.976		
	Total	201.270	151			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Developer Attributes, Affordability Attributes, Locational Attributes, Services Attributes, Property Attributes

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.003	.516		.006	.995
	Affordability Attributes	.023	.146	.017	.156	.876
	Locational Attributes	.275	.153	.152	1.799	.074
	Property Attributes	.548	.207	.351	2.648	.009
	Services Attributes	.098	.172	.069	.569	.571
	Developer Attributes	.046	.117	.040	.395	.693

a. Dependent Variable: Purchase Intention

GROUPED_INDUSTRIAL

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763[a]	.582	.559	.56166

a. Predictors: (Constant), Developer Attributes, Services Attributes, Locational Attributes, Property Attributes, Affordability Attributes

b. Dependent Variable: Purchase Intention

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.792	5	8.158	25.861	.000[b]
	Residual	29.338	93	.315		
	Total	70.130	98			

a. Dependent Variable: Purchase Intention

b. Predictors: (Constant), Developer Attributes, Services Attributes, Locational Attributes, Property Attributes, Affordability Attributes

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.003	.488		.006	.995
	Affordability Attributes	-.099	.152	-.070	-.648	.519
	Locational Attributes	-.220	.112	-.160	-1.957	.053
	Property Attributes	.594	.178	.330	3.340	.001
	Services Attributes	.805	.150	.598	5.370	.000
	Developer Attributes	-.110	.078	-.117	-1.412	.161

a. Dependent Variable: Purchase Intention

Relative Importance Index

Factors	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	Total	Total Number (N)	A * N	RII	Ranks
1	110	176	153	98	85	622	251	1255	0.495618	28
2	665	236	102	32	9	1044	251	1255	0.831873	4
3	765	268	66	12	3	1114	251	1255	0.887649	1
5	215	304	240	60	22	841	251	1255	0.670120	21
6	380	356	168	36	12	952	251	1255	0.758566	11
7	595	296	129	18	6	1044	251	1255	0.831873	4
8	160	208	180	62	76	686	251	1255	0.546614	27
10	135	288	183	78	52	736	251	1255	0.586454	24
11	405	376	177	26	4	988	251	1255	0.787251	10
12	655	244	120	22	8	1049	251	1255	0.835857	3
13	275	260	231	74	17	857	251	1255	0.682869	19
14	240	340	216	56	18	870	251	1255	0.693227	17
15	310	360	195	52	8	925	251	1255	0.737052	15
16	445	372	141	28	8	994	251	1255	0.792032	8
17	215	328	219	78	14	854	251	1255	0.680478	20
18	640	212	144	30	7	1033	251	1255	0.823108	5
19	380	372	147	36	15	950	251	1255	0.756972	12
20	170	216	210	74	56	726	251	1255	0.578486	25
21	270	344	237	48	8	907	251	1255	0.722709	16
23	280	364	264	18	7	933	251	1255	0.743426	14
24	665	268	93	24	8	1058	251	1255	0.843028	2
25	505	320	180	16	2	1023	251	1255	0.815139	7
26	245	292	213	38	39	827	251	1255	0.658964	23
27	350	308	243	32	7	940	251	1255	0.749004	13
28	260	316	174	50	37	837	251	1255	0.666932	22
29	295	244	261	42	23	865	251	1255	0.689243	18
30	530	276	144	30	13	993	251	1255	0.791235	9
31	500	324	189	10	2	1025	251	1255	0.816733	6
33	400	400	174	14	6	994	251	1255	0.792032	8
34	125	184	252	60	66	687	251	1255	0.547410	26
35	85	120	168	100	98	571	251	1255	0.454980	29

Close to government offices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	98	39.0	39.0	39.0
	2.00	50	19.9	19.9	59.0
	3.00	56	22.3	22.3	81.3
	4.00	30	12.0	12.0	93.2
	5.00	17	6.8	6.8	100.0
	Total	251	100.0	100.0	