A STUDY ON FACTORS AFFECTING HOUSING PREFERENCE OF FIRST TIME HOME BUYERS AMONG UNIVERSITY STUDENTS IN KLANG VALLEY AREA

MICHELLE LEE MONG XIN

BACHELOR DEGREE OF BUILDING AND PROPERTY MANAGEMENT (HONOURS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

DEPARTMENT OF BUILDING AND PROPERTY MANAGEMENT

MAY 2024

| MICHELLE | FAHPFTHBUS | BBP (HONS) | MAY 2024 |

A STUDY ON FACTORS AFFECTING HOUSING PREFERENCE OF FIRST TIME HOME BUYERS AMONG UNIVERSITY STUDENTS IN KLANG VALLEY AREA

BY

MICHELLE LEE MONG XIN

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

BACHELOR OF BUILDING AND PROPERTY MANAGEMENT (HONS)

UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT
DEPARTMENT OF BUILDING AND PROPERTY MANAGEMENT

MAY 2024

DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our 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 <u>15,349</u>.

Name of Student: Student ID: Signature:

<u>MICHELLE LEE MONG XIN</u>   <u>20UKB02257</u>

Date: 25 JUNE 2024

ACKNOWLEDGMENTS

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ABBREVIATIONS

DOSM	Department of Statistics
PR1MA	Perumahan Rakyat 1 Malaysia
SRP	Skim Rumah Pertamaku
RUMAHWIP	Rumah Wilayah Persukutuan
RII	Relative Importance Index
MoE	Margin of error
SPSS	Statistical Package for Social Science

LIST OF APPENDICES

PREFACE

In the dynamic landscape of the Klang Valley, first time home buyers especially the university students encounter various of challenges when navigating the realm of housing, often affected by financial constraints, housing price, housing location, housing environment and housing attributes. In light of these complexities, this thesis, titled "Factors Affecting Housing Preference of First Time Home Buyers Among University Students in Klang Valley Area," embarks on a journey to delve deeper into this multifaceted scenario.

Conducted within the academic confines of Universiti Tunku Abdul Rahman (UTAR), this research endeavour sets out to unravel the intricate housing dynamics faced by university students within the Klang Valley area. As urbanization surges and cities expand at unprecedented rates, the quest for affordable housing becomes increasingly arduous, particularly for Malaysia's first time home buyers. The primary objective of this study is to identify the factors that affect university students' housing preference in buying their first home. Furthermore, also to examine the most significant factor that shapes university students' housing preference in buying their first home.

By meticulously analyzing data and conducting comprehensive research, this endeavor aspires to contribute valuable insights to the discourse urban studies and social sciences. Through a nuanced examination of the factors affecting housing preferences among first time home buyers among university students, we aim to offer actionable recommendations and foster a deeper understanding of the complexities inherent in the housing landscape of the Klang Valley. This preface sets the stage for an exploration that seeks not only to understand the challenges but also to propose solutions and pave the way for a more equitable and sustainable housing future for the university students in the Klang Valley area.

Factors Affecting Housing Preference of First Time Home Buyers Among University Students In Klang Valley Area

ABSTRACT

This research explores the housing preferences of university students buying their first home in the Klang Valley area. In this bustling urban setting, they encounter distinctive challenges while balancing their academic pursuits with homeownership.

The primary objective of this research is to identify the factors that affect the housing preferences of first-time homebuyers among university students in the Klang Valley. Quantitative data was collected through a survey questionnaire administered to a specific group of university students who are going to buy their first home in the future.

Key findings show the pivotal factors shaping the housing preferences of this specific demographic cohort, including financial constraints, housing price, housing location, housing environment, and housing attributes.

Overall, this research contributes valuable insights to the discourse on housing preferences among first time home buyers who are university students in the Klang Valley area. The findings provide a foundation for policymakers, real estate developers, and other stakeholders to tailor housing policies and initiatives that cater to the unique needs and preferences of this specific demographic group, thereby fostering a more inclusive and supportive housing environment within the Klang Valley

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

A house is one of a person's basic and essential needs in life. When university students finish their studies and start considering how to live as an independent and mature adult, they have a lot to learn about securing their financial future and purchasing home on their own (Luu & Thonthat, 2021). Purchasing their first home is one of the most significant challenges they will have to carefully tackle. When considering in buying first home, university students and young people converge on certain key preferences. Affordability ranks high, driving their search for homes within budgetary constraints, factoring in mortgages and ongoing costs. Location is pivotal, favouring areas close to work opportunities and essential services. Flexibility in spaces to accommodate evolving needs, whether for career growth or family, is crucial. The appeal of vibrant communities, access to leisure spaces, and a tech-friendly environment aligns with their lifestyles. Sustainability and efficiency matter, reflecting their environmental concerns. Evaluating resale potential and prioritizing safety in the neighbourhood round out their shared considerations. Though these preferences resonate, individual circumstances and future plans may introduce variations in their home-buying decisions. In recent years, young people find more difficult in purchasing their first home due to variety of constraints including financial issue. According to Ismail et.al. (2021), it appears that young people are unable to purchase an acceptable, satisfactory, and livable home without having to take out a significant financial loan or move to a remote, unattractive housing development that requires long daily drives to work. Consequently, it is important to understand the factors that affect the housing preference of first time home buyer among university students to meet their requirements as well as to overcome the issue of unsold houses in Malaysia. Undeniably, before purchasing a home, buyers must also make an informed decision, especially for first time home buyers like university students who have never purchased a property before. This chapter presents the research background,

problem statement, research questions, and research objectives of the study: factors affecting housing preference of first time home buyer among university students in Klang Valley area. Nevertheless, the significance of study, chapter layout and hypotheses also will be clarified in this chapter.

1.1 Research Background

A house is a type of human habitation that varies in size, style, and architectural layout depending on the location, culture, and individual preferences. It accommodates living activities like sleeping, cooking, and socialising for single or families. Houses can be solitary buildings or a component of larger residential complexes, and they are often built of materials like brick or wood. Apart from being a place to live, houses offer a feeling of safety, privacy, and a place where people or families may create a sense of belonging. Their designs vary depending on the culture and era. It is stated quite clearly that owning a home is necessary for every household (Bilal et al., 2019).

In Malaysia, housing affordability is always a major concern, especially for those who live in the urban areas like Penang, Johor Baharu, and the Klang Valley. The New Straits Times' Financial Surveillance Department (2019) reported that 73% of unsold properties in Malaysia were unaffordable. Johor had the greatest percentage of unsold houses in 2019, followed by Selangor, Kuala Lumpur, Perak, and Pulau Pinang. Soon and Tan (2019) also stated that many first time home buyers need help with applying for mortgage loans and having sufficient funds for a down payment in these few years. A person who has never owned a home but plans to do so is considered a first time home buyer. First time home buyers were primarily members of the younger generation about to embark on their lives, such as those fresh graduates. Undeniably, owning a house is currently a huge issue for young people including university students in Klang Valley as well, since the housing prices are rising significantly which caused them unaffordable to own their first home, especially after the COVID-19 pandemic. It can be estimated that young people make up half of Malaysia's population, and they are primarily on the lack side of the housing market. According to Soon and Tan (2019), the present social and

economic condition is causing a declining trend in the number of young people who own a home.

Numerous factors are carefully weighed when buying a home, given its long-term commitment and substantial financial investment. The considerations might depend on price, location, layout design, security issues, promotions and rebates, service quality, and accessibility. Currently, one of the biggest problems that local property developers such as EcoWorld, Sunway Property, MKH, IOI Properties, and SP Setia are facing a significant number of unsold and overhang properties in the housing market. The problem of housing property overhang arises in the market because the houses that housing developers developed do not appeal to the target market in that particular area (Soon & Tan, 2019). Therefore, before developing a housing project to satisfy a home buyer's preferences, it is essential to grasp the features that buyers are concerned about the most.

Therefore, using university students as a sample, this study investigates the factors affecting the housing preference in buying their first home. It is critical to study their preference for housing so that the housing providers may supply homes to meet their diverse housing preferences and requirements.

1.2 Problem Statement

University student's housing preference are shaped by various factors, resulting in an intricate web of priorities and desires. A significant factor that frequently comes up is affordability. Since the university students have financial constraints, they tend to favor housing options that fit their budgets. Over the past few years, the cost of housing has increased dramatically, particularly for properties in urban areas. The inability of homebuyers with low and middle incomes to own a home is a challenge that they must deal with. Akmal Nasrullah Mohd Nasir, the Deputy Local Government Development Minister, emphasized that Malaysian housing

prices had increased by 4.1 percent, outpacing the country's rate of income growth (Daim & Harun, 2023). In addition, according to Hawkins (2022), the burden of student loan debt and the tighter lending house standards also prohibits many young people from saving money for a down payment of their first home. Investigating the factors affecting the housing preference of university students while buying their first home in the Klang Valley area is one of the aims of this study.

Furthermore, university students not only constraint on financial issue, but other considerations also affect their housing preference significantly in buying their first home. Urbanization trends hold significant weight as the young people gravitates towards urban settings, seeking employment opportunities and vibrant social environments, affecting their preference for conveniently situated residences. Furthermore, technology integration is an important factor, as the younger, proficient-with-technology population is demanding more and more tech-savvy infrastructure and smart homes. Based on the findings of Opoku and Abdul-Muhmin (2010), it is noticeable that homes with sustainable living features are 25% more likely to be owned, given their capacity to decrease greenhouse gas emissions through the use of renewable or locally sourced durable materials in construction. Additionally, these homes incorporate passive design principles in their floor plans, harnessing natural breezes, sunlight, and rainwater for greater efficiency. In response to the changing nature of work and interpersonal interactions, flexibility in living arrangements—such as co-living spaces and remote work-friendly environments—has become a concern as well. The complex web of variables affecting young people's housing preferences also includes the neighborhood's general visual appeal, accessibility, and proximity to amenities and facilities. The way these factors interact provides a thorough understanding of the subtle decisions influencing the real estate market for university students. Investigating the factors affecting the housing preference of university students while buying their first home in the Klang Valley area is one of the aims of this study.

1.3 Research Questions

Referring to the problem statements, the following research questions have been proposed:

1. What are the factors that affecting the housing preference of first time home buyers among university students in Klang Valley area?
2. Which is the most affecting factor on the housing preference of university students in buying their first home?

1.4 Research Objectives

To address the research questions, the following research objectives have been proposed:

1. To identify the factors affecting housing preference of first time home buyer among university students in the Klang Valley area.
2. To examine the most affecting factors on the housing preference of university students in buying their first home.

1.5 Hypotheses of the Study (for quantitative research)

The following are the hypotheses that are related to the study's objectives:

H1: Financial constraint has a significant affect towards the housing preference of university students while buying their first home.

H2: Housing price has a significant affect towards the housing preference of university students while buying their first home.

H3: Housing location has a significant affect towards the housing preference of university students while buying their first home.

H4: Housing environment has a significant affect towards the housing preference of university students while buying their first home.

H5: Housing attributes has a significant affect towards the housing preference of university students while buying their first home.

1.6 Significance of the Study

Understanding the housing preference of university students is pivotal in shaping the property market dynamics. This demographic cohort significantly impacts real estate trends, reflecting evolving cultural norms and societal values. Their preferences guide a more responsive real estate market, ensuring residences cater to their needs. Additionally, their influence on urban growth and technological integration drives societal sustainability and economic innovation. Investigating the factors influencing these preferences among first time homebuyers entering the market provides critical insights. This study aims to delve into their decision-making process, offering authorities the expertise needed to meet market demands effectively. Insights on preferred home types, locations, and amenities are essential, as the choices of first time buyers shape the real estate landscape.

Beyond housing, this study assesses the broader impacts of these decisions on employment, community advancement, and economic expansion in the Klang Valley area. It has implications for housing and urban development policies, advocating for affordable options tailored to university student preference. This study contributes to existing knowledge by focusing on first time buyers among university students, offering a unique perspective on consumer behavior and housing studies. By aiding the university students in informed decision-making, it prepares them for the transition from university to the job market.

Overall, this study's significance lies in guiding policy development, improving educational services, and enhancing understanding of first time buyer preference in the Klang Valley. Its insights are poised to inform real-world decision-making processes, benefiting both university students and policymakers alike.

1.7 Scope of Study

This study will specifically examine the factors affecting the housing preference of first time home buyers among university students in the Klang Valley. It aims to delve into the behavior and attitudes of this demographic when considering their housing options. The research methodology involves an online questionnaire targeted at Malaysian university students who living in the Klang Valley area. Situated on the southwest coast of Peninsular Malaysia, the Klang Valley is an emerging urban area undergoing significant development (Mohd Shafie et al., 2022). Spanning across 2911.5 km2, it encompasses various districts in Selangor, including Rawang, Gombak, Selayang, Ampang, Petaling Jaya, Subang Jaya, Shah Alam, Klang, Serdang, Kajang, Puchong, Cyberjaya, Sepang, and the Federal Territory of Kuala Lumpur (Rahman et al., 2015a).

1.8 Chapter Layout

A broad overview of the research study is provided in Chapter 1, the first chapter of this study, which also outlines the general direction of the research. Therefore, the problem statement, research questions, research objectives, research hypotheses, and research significance are included in Chapter 1. These can ensure that readers comprehend the general topic and goal of our study.

In Chapter 2, a review of relevant journal articles is carried out with the aim of understanding the previous progress of linked research. The literature review in this chapter highlights the shortcomings of earlier studies as well as the insights they provided. Nevertheless, this chapter will develop the research's theoretical framework as well as its independent variables and related concepts.

Chapter 3 will provide an explanation of the study methodology, which includes the research design, data collection techniques, sample design, and research instrument. In addition, this chapter covers the process of measuring, processing, and analyzing constructs as well.

After that, in Chapter 4, the real data analysis will be carried out and discussed in depth. The central tendency measuring of the constructs and a descriptive analysis of the respondents' demographic profile will be explained. In fact, a deeper discussion is held regarding the dependability and inferential analysis outcomes.

Lastly, a summary of both inductive and descriptive analyses is included in the last chapter, along with a discussion of the main conclusions of the research. This leads us to the practical consequences of the study for practitioners and policymakers. The study's shortcomings are highlighted as well along with suggestions for further research on the subject and methodology constraints.

1.9 Conclusion

In summary, this chapter covered the emergence of housing preference for university students while purchasing their first home as well as the factors that affect the preference and their purchase behaviour. The current issues and knowledge gaps that prompted the study were also covered. Prior to developing the study's hypotheses, a few objectives and research questions were determined. The results of the study were also stated, along with the chapter-by-chapter organization of the entire research. A review of the literature will be the main focus of the upcoming chapter.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Individuals or households who are acquiring their first residential property are identified as first time home buyers. In general, first time home buyers include university students who are about to embark on their lives to the job market. The search for a first home is a crucial turning point, especially for university students moving into independent living. Simultaneously, individuals might make spontaneous housing purchases to gain a competitive advantage over others (Hassan et al., 2021a). According to Petrus (2012), he also noted that houses can serve as indicators of individuals' living standards and social standing. This indicates that while some university students prioritize housing as an investment for financial purposes, others aim to enhance their lifestyle standards by upgrading properties, beyond solely using housing as a shelter. Since these students embark on their journey towards their first homeownership, an array of factors interplays in shaping their housing preference, guiding their decision-making process amidst a dynamic and evolving property market. Understanding the complicated structure of these preference requires a thorough investigation of the fundamental factors influencing the decisions made by this group of first time home buyers. This literature review seeks to investigate the factors that affect university students' housing preference as they enter the world of homeownership.

A wide range of academic publications, real-world research, and theoretical frameworks will be reviewed in this chapter, each providing a distinct perspective on the various factors influencing that specific cohort's housing preferences. This review attempts to shed light on the complex interactions between economic, social, and psychological aspects that affect university students in the Klang Valley who are buying their first homes.

This study is crucial for understanding the factors that affect housing preference as well as for providing insights for stakeholders in the housing market, real estate developers, and legislators. According to Ismail et al. (2021), research and housing design will be significantly impacted if it is shown that various demographic segments have varying preferences for homes. Through the process of analysing and interpreting these essential factors, relevant parties can develop plans and customize their projects and plans that appeal to the requirements and objectives of this growing population, creating an atmosphere that is more pleasant for first time home buyers in the Klang Valley.

2.1 Housing (Maslow's hierarchy of needs)

Figure 2.0: Maslow's Hierarchy of Needs
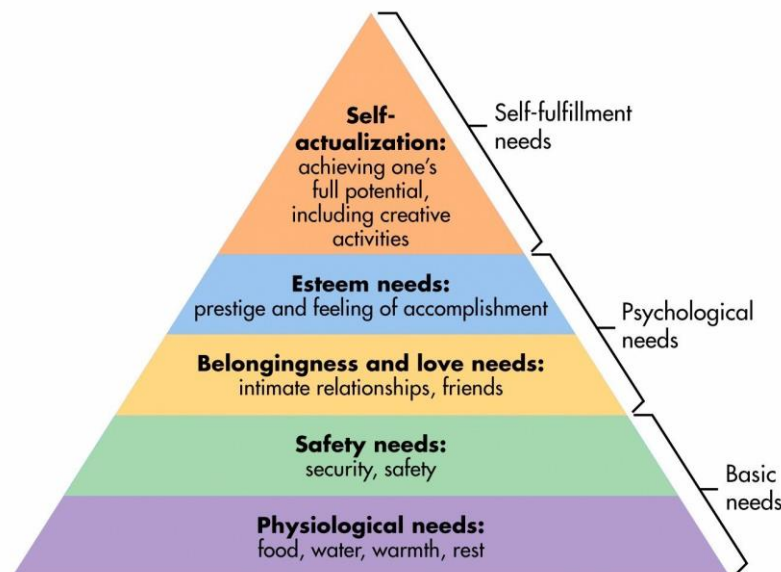
Adapted from: A. H. Maslow (1943)

Maslow's hierarchy of needs is a physiological theory proposed by Abraham Maslow in the mid-20th century. According to Maslow & Lewis (1987), this theory suggests that human needs can be arranged in a hierarchical structure, with more basic needs at the bottom and higher-

level needs at the top. The hierarchy is often visualized as a pyramid, with five levels: physiological needs, safety needs, belongingness and love need, esteem needs, and self-actualization. By relating Maslow's Hierarchy of Needs to housing preferences shows how these fundamental needs influence the choices people make in where and how they live:

Physiological Needs: At the base of Maslow's pyramid are physiological needs, including shelter. For first time home buyers among university students, this translates into the need for basic housing that provides safety, security, and privacy. Factors such as affordable rents or property prices, the safety of the neighbourhood, and adequate living space to fulfil these needs are crucial considerations.

Safety needs: The second tier of Maslow's hierarchy focuses on safety needs. For university students purchasing their first homes, factors such as the crime rate in the area, proximity to the university or workplace, and the overall safety of the neighbourhood become pivotal in their housing preference.

Belongingness and Love Needs: Maslow's hierarchy places importance on social needs. Similarly, for university students transitioning into first time home buyers, factors related to community, social amenities, proximity to friends or family, and access to social hubs or communal spaces might affect their housing preference.

Esteem Needs: For university students buying their first homes, the choice of neighbourhood and property features can significantly impact their perceived status and self-esteem. Selecting homes in prestigious areas or with modern amenities aligns with their desire for achievement and social standing, fulfilling their esteem needs.

Self-Actualization: Higher up in the hierarchy are esteem needs and self-actualization. As university students aim to purchase their first homes, factors like the prestige associated with certain neighbourhoods, the capacity for personalization or customization of living spaces, and

the potential for growth and development within the community might affect their housing preference.

Understanding Maslow's Hierarchy can help in recognizing how housing fulfils not only the basic need for shelter but also higher-level psychological and social needs, impacting the choices university students make in selecting their first home.

2.2 Housing need

The basic housing needs that meet people's comfort, safety, and lifestyle preferences are referred to as housing needs. It includes having access to quality housing that is affordable and furnished with basic utilities like electricity, water, and bathroom facilities. Addressing housing needs requires understanding a range of requirements, such as accessibility to places of employment or education (Chia et al, 2016), safety, affordability, and community engagement. According to Kim and Kim (2017), it is crucial to know housing needs as a fundamental necessity for humans, enabling the creation of living spaces that align with residents' habits and facilitating the planning of residential amenities to meet those needs. Housing needs have always been thought to be closely tied to population and household demographic trends, and any modelling of housing needs to account for demographics, including age structures (Bramley et.al, 2010). Giving an example, financial constraints normally are the major concerns that affect university students in buying their first home. Thus, it is essential to provide affordable housing options with reasonable purchase prices for them. Yaacob (2023) mentioned that people require assistance in affording housing, given the rising prices set by housing developers in Malaysia. This aids in maintaining a stable living situation without considering the issues of limited budget which requires striking a balance between cost and quality. Therefore, housing planning and provision should extend beyond fulfilling the fundamental need for shelter, incorporating the preferences and specific needs of people (Leh et al, 2016). In response to these housing challenges, this study was conducted to understand the housing

preference of first time home buyers among university students and formulate recommendations derived from the research findings.

2.3 Housing Preferences

The subjective attractiveness of housing is the definition of housing preference, in the words of Jansen et.al. (2011). There are two related concepts that are separated when discussing housing preferences: housing expectation and housing aspiration. Housing expectations represent predictions for the future quality of housing, whereas housing aspiration is demonstrated by the buyer's desire to purchase it (Thanaraju et al., 2019). Understanding the housing preferences of the university students is important. Different demographics have different considerations and preferences in buying a home. For instance, Ismail et al. (2021) believe that elderly people like to live close to open spaces yet away from busy commercial districts. Preference for housing is generally affected by a few factors and every person makes distinct decisions. This factor will have an impact on the decision to purchase a home. According to Soon & Tan (2019), the main factors that affect housing preference are the costs of the house, housing availability, and the size of the property. The costs consist of insurance premiums, taxes, and mortgage rates. There will be a housing shortage as a result of rising costs and unstable economies of the country. Furthermore, competition between buyers and rising property prices are also possible reasons for making this type of decision. Determining the housing attributes and housing affordability is essential in understanding the housing preferences of home buyers. There needs to be a balance between the housing attributes that developers supply and the preferences of home buyers.

Housing preferences can be categorized according to a variety of factors, such as the kind of house, its location, size, characteristics, and any additional features (Henilane, 2016). Housing preferences are varied and include a range of factors that are important when making decisions, particularly for university students looking for their first home. First of all, the type of house is crucial. This could include condominiums, apartments, terrace houses, and so forth. A student's

preferences may lean towards a particular architectural style, layout, or design that resonates with his or her lifestyle and aspirations. Other factors to think about include the neighborhood's environment, safety, accessibility to public transportation, and the environment in general. Depending on their preferences, university students may choose to live in places with a bustling social scene or calmer, more tranquil settings. Another important factor is the house's size and features. This includes the property's overall condition as well as features like the number of rooms and amenities like a garden or parking area. It also includes the home's physical measurements. In addition, the quality of construction and maintenance of the house itself also plays a key factor in affecting housing preference. When making a decision, university students—many of whom are moving into their first independent living environment—may consider the property's general condition, functionality, and durability.

2.4 University Students

The term "young people," as defined by Hoek (2016), encompasses individuals aged 18 to 35. This age range aligns with the demographic also commonly found among university students. Entering the realm of adulthood, young people within this age range commonly make the significant move from their parental homes to foster independence and commence the creation of their households (Ismail et al, 2021). Highlighting this connection, International Placewell Consultants underscore that higher education at the diploma level is designed with precision for young people within this age bracket, including university students. This specialized educational opportunity targets those who have successfully obtained their secondary school certificate (SPM) and are aged 17 or older, reinforcing the relevance and accessibility of diplomas, bachelor's degrees, and master's programs for students pursuing advanced academic and professional development within the university setting. According to Cambridge Dictionary, a student is defined as a person who is studying at a school, college, or university. University students are individuals engaged in higher education pursuits within an institution of tertiary learning. University students come from various backgrounds, and their classmates might be of different ages. There is a wide range of ages among students, creating a diverse

and inclusive learning environment. With their wide range of ages and backgrounds, university students reflect the broad variety of experiences among first time home buyers. The selection of these students was grounded on the presumption that they were more inclined to pursue employment and initiate the search for their first home, as indicated by the Department of Statistics (DOSM) in 2022. Buying a first home represents a step towards personal security and adulthood. Similar to how students enter the job market at various phases, first time home buyers also come from a variety of backgrounds. Some buy their first homes soon after graduation, while others take their time. These encounters represent a shift towards independence. The financial preparedness and lessons learned in university life often reflect in the readiness needed for the significant responsibility of homeownership. Both paths involve a learning curve, where the skills developed during university years parallel the understanding required for navigating the complexities of real estate and long-term investments. Due to diverse considerations, including social environments, pricing, and closeness to amenities or workplaces, university students have different housing preferences. Their housing preference might depend on their needs for social contacts, convenience, and affordability. This study targets individuals presently enrolled in universities within the Klang Valley area, irrespective of their academic program or year of study.

2.5 First Time Home Buyer

A first time home buyer is someone who has never owned a home before but plans to do so in the future (Khan et al., 2017). The ages of first time home buyers are between 24 to 34 (Duffy & A., 2005). First time home buyers are members of young people, who recently graduated, and are about to embark on their lives. In Malaysia, first time home buyers are defined by the government which is outlined in the First Home Scheme, specifying an age range of 24 to 34 years old (Khan et al., 2017). Additionally, first time home buyers also encompass young professionals embarking on their initial career steps, many of whom face financial instability. To further provide financial support to the first time home buyers, the government of Malaysia introduced the One Malaysia People's Housing Scheme (PR1MA) (Tan, 2012). University students stepping into the realm of first time home buyers undergo a transition shaped by their

academic experiences. Yet, they grapple with challenges such as early career uncertainties and financial constraints. Their diverse backgrounds and varying needs influence how they approach homeownership, emphasizing the need for specialized policies to support their aspirations. According to Baum and Wulff (2003), beyond shifts in economic and social landscapes, the decline in homeownership among young adults has been linked to evolving housing preferences within this demographic.

2.6 Factors Affecting Housing Preference of First Time Home Buyers Among University Students in Klang Valley Area

According to Komurlu et al (2013), home buyers' preferences are significantly affected by various factors, ultimately affecting their decision-making process when buying a housing unit. This understanding proves essential for developers, agents, and policymakers, allowing them to customize offerings following the diverse requirements of buyers especially those who buy their first home. Considering other affecting factors like location, amenities, and pricing not only improves market responsiveness but also guarantees sustainable growth. Such comprehension becomes crucial in navigating the competitive housing market, facilitating well-informed decision-making for both buyers and stakeholders. Ultimately, aligning housing options with buyer preferences not only enhances customer satisfaction but also contributes to the creation of a robust and adaptable real estate environment. The factors that affect the housing preference of first time home buyers among university students in the Klang Valley area encompass the following:

2.6.1 Financial Constraints

Based on an analysis of housing preferences among Malaysian youths (2021), the most affecting factor affecting housing preferences is financial constraints. Financial constraints regarding housing encompass the hurdles or boundaries individuals or

households encounter due to financial circumstances while seeking or upholding their housing. These limitations encompass insufficient income to cover housing expenses, challenges in saving for a down payment, elevated housing costs in relation to income, restricted access to credit or loans, and struggles in meeting mortgage payments or rent. These limitations may impede individuals from securing appropriate housing or compel them to opt for housing of inferior quality or desirability.

Many Malaysian young people perceive housing property in Malaysia as costly, primarily due to the disproportionate rise in housing prices compared to income levels (Ismail et al, 2021). A home buyer's decision to purchase a house is chiefly affected by their financial capacity, encapsulated by their savings and monthly income (Hei & Dastance, 2017; Rangel et al, 2019). Higher-income students often possess the financial means for down payments and qualify for mortgages on advantageous terms due to their stronger financial standing. Furthermore, income determines the housing preference available to university students—those with lower incomes might lean towards shared accommodations, while those with higher incomes can consider standalone properties or better-equipped homes in their desirable locations. Additionally, income impacts the continuous expenses linked to homeownership, including mortgage payments, property taxes, insurance, and upkeep. A higher income offers more stability in managing these costs, while lower incomes may present challenges in meeting these ongoing financial obligations. Ultimately, a university student's income level dictates the range and feasibility of housing options accessible to them, playing a pivotal role in their ability to participate in the housing market.

The ability of university students to buy their first home hinges significantly on the impact of loans and down payments. Financing is commonly described as a prolonged loan designed to purchase a house within a specific timeframe (Thanaraju et al., 2019). Mortgage loans, especially, act as a pathway for students to step into the housing market, offering crucial financial support that might otherwise be unattainable due to initial affordability barriers. With favourable loan terms, these financial aids broaden the range of housing options and alleviate the monthly payment burden, particularly benefiting univerisity students with limited incomes. Nevertheless, the substantial demand for a

sizable down payment presents a formidable obstacle. According to Zyed et al. (2010), first time home buyers may lack the financial means and ability to commence saving for the down payment required for purchasing a house. While a larger down payment often yields more favourable loan terms, gathering this amount poses a significant challenge, especially for univerisity students with financial constraints.

2.6.2 Housing Price

The factors that affect the housing preference of first time home buyers also include the housing price. Chia et al. (2016) emphasized that the primary factor affecting the decision to purchase a house is the property's price. The persistent surge in house prices has posed a significant concern among Malaysians (Thanaraju et al., 2019). Currently, young people who live in urban areas are experiencing a significant hurdle in achieving homeownership as soaring house prices have surpassed their affordability (Hassan et al., 2021b). This demographic, which encompasses university students and other young people, encounters considerable challenges in buying their first home, primarily due to the combination of soaring housing prices and a shortage of affordable housing options.

Many university students, particularly recent graduates, face a dual financial burden of limited budgets and ongoing studentloan repayments. The exorbitant housing prices significantly affect their housing preference, compelling them to revaluate and prioritize their criteria when seeking accommodation. From the findings of the Analysis on Housing Preferences among Malaysian youth, it was evident that most respondents favoured housing prices below RM200,000, with a particular preference observed for the range falling between RM42,000 to RM100,000. According to Seo (2024), the current prices for affordable homes for sale in Malaysia range from RM 200,000 to RM 380,000. Affordable housing is often situated outside popular townships in less-prominent neighborhoods, and some projects may be at a distance from key amenities. However, contemporary affordable housing in Malaysia typically includes basic facilities, proximity to essential services, and security measures. As a result, they have

lower prices compared to luxury housing, which often boasts superior locations and exclusive amenities. According to Hassan et al. (2022), the Malaysia government has initiated affordable housing projects like Perumahan Rakyat 1Malaysia (PR1MA), MyHome, Skim Rumah Pertamaku (SRP), and Skim Perumahan Belia. While certain housing initiatives align with the affordability range of price for university students, other critical aspects such as location and housing type fail to cater to their preference. According to Aldeen (2024), there are five affordable housing schemes for first time home buyers which are: BSN Youth Housing Scheme, PR1MA, RUMAHWIP, Rumah Selangorku, and Bank Negara My First Home Scheme. All young people, including university students, are eligible to apply for these housing schemes, facilitating an easier path for them to own their first homeownership. Although these initiatives address the financial constraints of students, they often fall short in considering the diverse needs and desires regarding housing location and the specific type of accommodation preferred by this demographic. It is important to focus on aligning efforts toward boosting household incomes, a more sustainable approach to bridging the gap between housing prices and the income capacity of Malaysian young people. Consequently, government housing agencies ought to conduct comprehensive studies to grasp the housing preferences of these young people, crafting strategies for future housing development as well. Furthermore, condominium or apartment is deemed as a cost-effective housing preference due to the available amenities and facilities in these types of housing (Yaacob et al, 2023). Amenities and facilities significantly shape the housing preference of university students. Modern conveniences, such as well-equipped study areas, recreational spaces, and fitness facilities, enhance the appeal of a house. Access to amenities like high-speed internet, laundry facilities, and communal spaces fosters a conducive and comfortable living environment.

On the other hand, a study by Leh et al. (2016) highlighted that many young people in Malaysia showed a strong preference for landed housing with more bedrooms over high-rise alternatives. Their inclination was towards purchasing a future home that aligns closely with their housing preferences. In terms of location, these individuals expressed a preference for urban areas to be near their workplaces and services, even if it meant targeting higher-priced houses despite affordability concerns. Therefore, some university students may opt to purchase their first home at a slightly higher price to

enjoy the advantages of a prime location and luxurious facilities and amenities. In Malaysia's property outlook for 2023, affordable housing for sale in popular locations is anticipated to be within and below the RM 500,000 range. In contrast, luxury homes typically start at RM 500,000, with prices scaling up to millions based on property types like penthouses and bungalows (Aldeen, 2024).

2.6.3 Housing Location

Housing location stands as one of the significant factors affecting the housing preference of first time home buyers in the Klang Valley area. According to the Analysis of Housing Preferences Among Malaysian Young People (2021), most of them exhibit a preference for urban areas over suburban and rural areas. However, a minority of young people are willing to buy a house in a suburban as the housing price is lower than urban area (Thanaraju, 2019). This pricing difference arises from the greater distance of suburban properties from essential amenities like schools, shops, malls, and public transportation. According to Olanrewaju and Woon (2017), they asserted that affordable housing typically tends to be situated farther from urban centers, impacting increased fuel expenses and commuting time.

Proximity to essential amenities emerge as pivotal factors affecting housing preference, especially for young people, including university students who seek convenience in accessing these amenities. According to Chia et al. (2016), she highlighted several considerations that should be considered when buying a house, including proximity to the workplace, educational institutions like schools, business centre areas, and retailers' outlets. The availability and proximity of workplace and public transportations is important because young people including university students seek convenient access to amenities and services while living in their chosen residential areas. Indeed, several other location-based factors significantly affect the housing preference of university students in addition to urban living and proximity to city centre. These factors include the presence of nearby public infrastructure such as transportation hubs or facilities,

which significantly affect convenience and accessibility, along with the availability of shops and essential amenities in the vicinity, as well as the proximity of schools or educational institutions, all of which heavily influence their housing preference. Moreover, Hartono et al. (2022) discovered a positive correlation between distance and housing purchases. The distance required to travel to city center also shapes the university students' choices, as shorter commuting distances are often preferred. Hence, certain university students tend to prefer urban areas with shorter commuting distances to the city center. These factors collectively contribute to the overall desirability and suitability of a location for university students seeking housing. According to Thanaraju et al. (2019), the primary concern in Kuala Lumpur revolves around traffic congestion, with the commuting distance between their workplace and home being the primary factor considered by individuals when buying a home. The challenge extends to residents of Klang Valley too, where commuting to the city from this outskirts area demands a considerable amount of travel time. Hence, the housing preference of university students are significantly affected due to housing location as well.

2.6.4 Housing Environments

One of the important factors in determining home buyer's preference for first home include housing environment. The housing environment involves the conditions and elements within and around a residential area, comprising neighbourhood infrastructure, nearby amenities, housing quality, safety, and community features. It also known as housing neighbourhood which represents a space where communities engage, fostering an environment conducive to social interaction, friendly gatherings, and mutual support among residents (Muhammad et al., 2022). Recent housing surveys suggest that young people prefer affordable housing options that are reasonably priced, easily accessible, and foster a strong sense of community. Additionally, they are attracted to environmentally friendly features and services such as bike storage, parks, and easy access to public transportation. Moreover, a significant number of young people express a preference for flexible housing environment that accommodate changing lifestyles

and allow for remote employment (Yaacob, 2023). Also, considering the evolving needs of nowadays modern university students, aspects like reliable internet connectivity and spaces that facilitate remote learning and work are becoming increasingly important in their housing preference as well.

The housing environment encompasses various facets that significantly impact residents' lives. It includes the physical, social, and emotional elements within and around a residential area. In terms of housing layout and type, physical elements encompass the quality of housing structures, access to amenities, green spaces, and infrastructure like main roads and utilities. This includes considerations such as the design and construction quality of the housing units as well. Socially, it encompasses community cohesion, neighbourly interactions, and the availability of shared spaces that encourage social connections. Emotionally, a housing environment influences mental well-being by providing a sense of security, comfort, and belonging. For university students, an ideal housing environment holds immense importance as it directly impacts various aspects of their well-being and overall quality of life. Beyond providing a mere shelter, a conducive housing environment for students promotes healthier lifestyles by offering spaces that encourage physical activity, relaxation, and proper rest. Moreover, it plays a crucial role in supporting mental health, providing a tranquil and conducive setting for focused studying and personal well-being. Living in a favourable housing environment can significantly ensure people well-being and enhance their overall quality of life (Sarif et al., 2018). Hence, ensuring a nurturing and favourable housing environment is pivotal for the holistic well-being of both individuals and communities. Presently, there is a heightened emphasis among young people, including university students, on the cleanliness factor within their neighbourhoods. This trend finds support in a 2021 analysis of Malaysian youths' housing preferences. Insufficient cleanliness and safety standards can adversely impact the value and perception of the surrounding housing, leading to a decrease in both price and overall image (Thanaraju et al., 2019). Also, many young people including university students tend to buy their first home which is gated and guarded. This is because choosing a gated and guarded housing environment offers enhanced security measures and a sense of safety for them. Besides, according to Tan (2011b), in today's housing market, the emphasis on sustainability has significantly heightened, urging

housing developers to align designs with sustainable living practices, paralleling government initiatives for environmental conservation. Acknowledging the growing market demand for eco-friendly housing projects, local developers must extensively inquire about housing preference to ensure they discover a housing environment that perfectly aligns with the preferences of young people, including university students, while buying their first home within the Klang Valley area.

2.6.5 Housing Attributes

Housing attributes are referred to a variety of features, characteristics, and qualities that define a property. Chia et al. (2016) indicated that the attribute of a house includes both interior and exterior design, as well as the quality of the building or finishing. These factors play a pivotal role in influencing potential buyers to make a purchase decision. They collectively influence the appeal, suitability, and value of a home, playing a significant role in shaping individuals' preferences and decisions when considering a purchase or rental. Soon and Tan (2019b) highlighted that people are willing to pay a greater price if the housing attributes meet or surpass their expectations. Housing attributes can significantly affect the preference of first time home buyers among university students. These attributes encompass a spectrum of features within a potential home, including its size, type, layout, facilities and amenities, and overall suitability to their needs.

According to Soon and Tan (2019b), there are five tiers of housing analysis which used to assess specific attributes: floor plan, interior finish, technical systems, home volume, and housing environment. This overall condition of the house can also impact their choices. Chernobai and Hossain (2017) mentioned that the size of a house serves as one of the significant factors affecting the decision-making process when selecting a home. Housing size is a critical consideration, as some university students favor more extensive accommodations for socializing and collaborative activities, while others prioritize a cozier, more intimate setting. Moreover, the type of housing is another

significant factor. In a study conducted by Yaacob, Bakar, and Aziz (2017), it was discovered that young people in Malaysia consider condominiums or apartments as the most suitable housing option for the younger generation, especially as their first home for independent living. According to the finding of Yaacob et al (2023), the results indicate that a significant number of participants in this study lean towards purchasing condominiums or apartments. This housing preference is attributed to the simpler and more convenient structure of these options, aligning well with the preferences of young people. University students commonly express preference for various housing options like condominiums, apartments, or shared houses, each offering a distinct living experience that impacts factors such as privacy, communal spaces, and overall lifestyle. Recognizing the dynamic relationship between housing size and type is essential for meeting the diverse needs of university students. On another hand, a study conducted by Soon and Tan (2019) found that housing preferences are affected by factors such as privacy and floor layout. This could be attributed to variations in cultural backgrounds and family sizes. In the context of university students who from different cultural backgrounds may have distinct expectations regarding communal living spaces or the need for personal space. Additionally, those with larger or smaller family sizes may seek housing design that accommodate their specific spatial requirements. These factors not only contribute to university students' overall well-being but also influence their housing preferences, aligning with the desire for a holistic and enriching living experience during their working journey in the future.

Last but not least, regarding the location-related aspects of housing, proximity to the workplace, schools, commercial stores, and public transportation stations has been identified as crucial factors in the home buying process (Tan, 2012). Additionally, the specific preferences of these young buyers often revolve around a blend of practicality, comfort, future resale potential, and alignment with their lifestyle choices. Soon and Tan (2019b) stated that the housing attributes significantly affects the decisions that made when buying a home. For university students making their debut in the housing market, these attributes intricately shape their choices, affecting the type of home that best fits their evolving needs and aspirations.

2.7 Review of Relevant Theoretical Models

Figure 2.1: Theoretical Framework of Housing Attributes Affecting Housing Preference
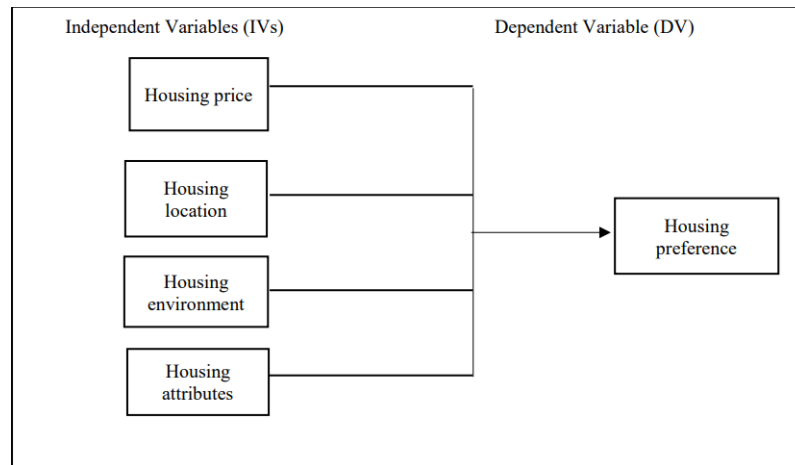
Adapted from: Yaacob et al. (2023).

According to Yaacob et al. (2023), their study underscored the significance of understanding the housing preference of university students, particularly those venturing into their first home purchase. The study highlights several factors that significantly affects the housing preference of this demographic, including housing price, location, environment, and various housing attributes. These elements play a pivotal role in shaping the preference of university students who are entering the real estate market as first time home buyers.

Among these factors, housing price stands out as a crucial determinant for university students. Affordability is often a primary concern, and understanding the financial constraints and conditions of this group is essential. Additionally, housing location plays a vital role in their decision-making process. Proximity to their workplace, access to public transportation, and the overall neighborhood environment are key aspects that influence the desirability of a particular location.

The housing environment is another critical factor that affects the preference university students. Factors such as safety, community amenities, and the overall ambiance of the

neighborhood contribute to their housing choices. Moreover, specific housing attributes, such as the size of the property, interior and exterior housing design, and quality of the building, are influential in determining the suitability of a home for this demographic.

Recognizing and addressing these factors are paramount, as they directly impact the decision-making process of university students entering the real estate market for the first time. By gaining insights into their housing preferences, stakeholders in the real estate industry can tailor offerings and initiatives to better align with the needs and expectations of this particular demographic, thereby fostering a more inclusive and responsive housing market for young people.

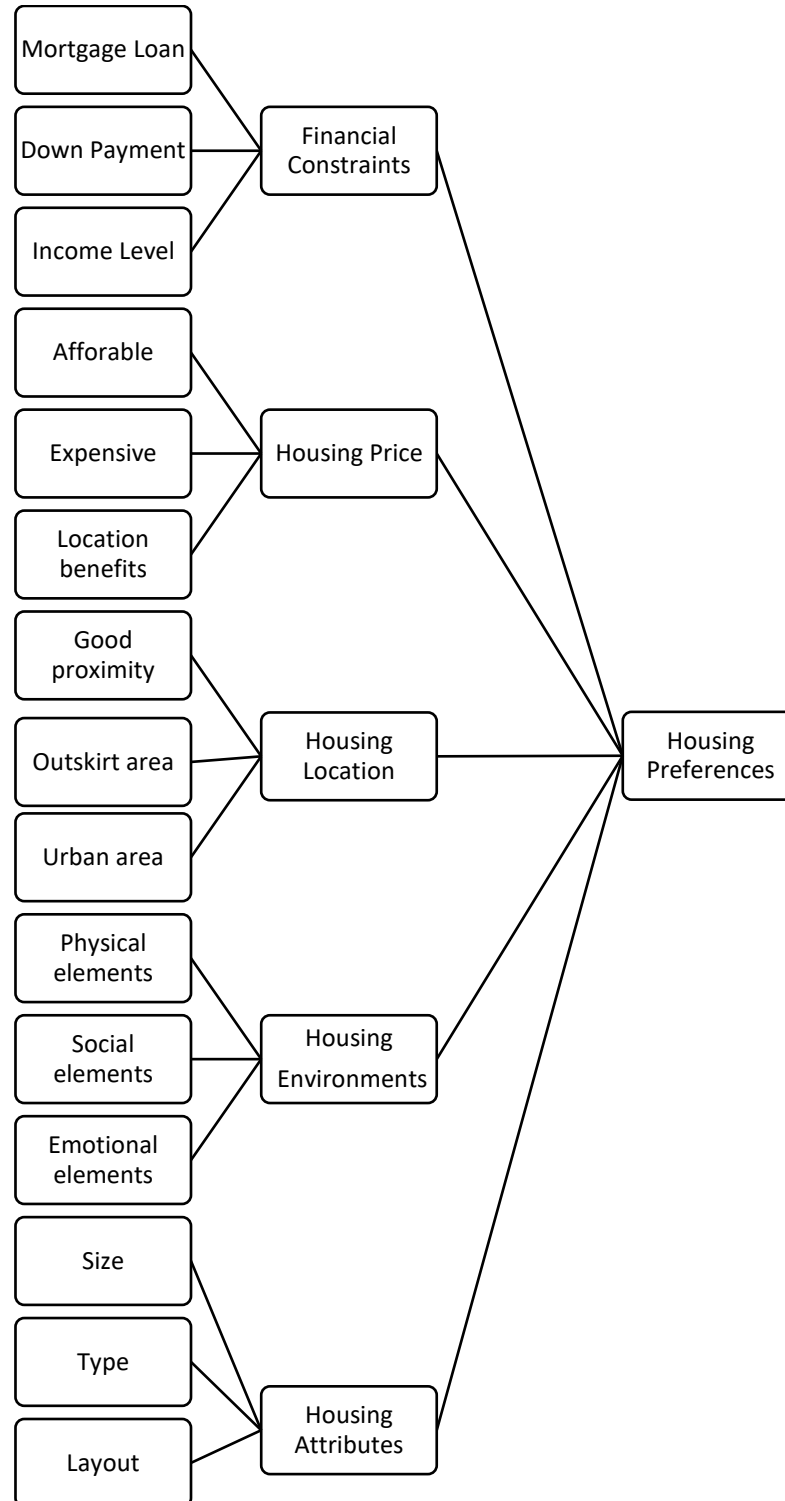## 2.8 Proposed Theoretical Framework

Figure 2.2: Proposed Theoretical Framework of Factors Affecting Housing Preference of

First Time Home Buyers Among University Students In Klang Valley Area

Adapted from: Research Developed 2023

2.9 Hypotheses Development

This study presents five hypotheses which are:

H1: Financial constraint has a significant affect towards the housing preference of university students while buying their first home.

$H1^0$: Financial constraint has no significant affect towards the housing preference of university students while buying their first home.

H2: Housing price has a significant affect towards the housing preference of university students while buying their first home.

$H2^0$: Housing price has no significant affect towards the housing preference of university students while buying their first home.

H3: Housing location has a significant affect towards the housing preference of university students while buying their first home.

$H3^0$: Housing location has no significant affect towards the housing preference of university students while buying their first home.

H4: Housing environment has a significant affect towards the housing preference of university students while buying their first home.

$H4^0$: Housing environment has no significant affect towards the housing preference of university students while buying their first home.

H5: Housing attributes has a significant affect towards the housing preference of university students while buying their first home.

$H5^0$: Housing attributes has no significant affect towards the housing preference of university students while buying their first home.

2.10 Conclusion

In Chapter 2, this literature review explores the housing preference of first time home buyers, particularly among university students. It provides a definition of the key factors that predominantly affect university students' housing preference when selecting their first home. These factors encompass financial constraints, housing prices, housing environment, housing location, and housing attributes.

CHAPTER 3: METHODOLOGY

3.0 Introduction

This chapter provides an in-depth exploration of the methods employed for examining the data gathered through the questionnaire. Subsequent sections will delve into the key approaches applied in this study, encompassing research design, methodology, data collection methods, sampling design, research instrument, construct measurement, data processing, pilot study and data analysis.

The literature review in the previous chapter draws mainly from original journal and newspaper articles. However, these sources, while based on first-hand data and theories, lack persuasive evidence for the thesis due to the use of second-hand information, some of which is outdated. Given the thesis's emphasis on up-to-date data, this chapter focuses on a detailed analysis of the research results obtained from the open-ended questionnaire. Finally, the research findings will be scrutinised and evaluated.

3.1 Research Design

The research was conducted using quantitative approach, which offers advantages in gathering the university student preference who stay in Klang Valley area for their first housing. This study is focused on identifying the factors affecting housing preference of first time home buyer among university students in Klang Valley area and also examine the most affecting factors on

the housing preference. Chin (2016) defines quantitative research as a method reliant on logic and statistics, offering a numerical and statistical measurement of individuals' perspectives. This approach enables the collection of extensive information that is easily organized and modified before being compiled into reports for further analysis. To implement the planned approach, a questionnaire survey will be conducted, designed with measurement constructs derived from previous research. However, these measurement constructs from past studies will be modified and tailored to align with the specific objectives of the current study.

3.2 Data Collection Methods

Data collection involves gathering information from various sources using specific methods. This process includes surveys, interviews, observations, and analysis of existing records. The methodological process of data collection involves gathering information about a specific subject, emphasizing the importance of ensuring completeness, legality, and ethical considerations in the collection phase (Catherine Cote, 2021). Researchers employ structured approaches to ensure accuracy and reliability, enabling them to extract valuable insights and draw conclusions for informed decision-making in various fields. There are two fundamental methods for collecting data: primary data gathering and secondary data collection. This study exclusively involves university students who participate in a questionnaire focusing on their perceptions of factors influencing housing preference when purchasing their first home in the Klang Valley area. The research relies on primary data to address hypotheses and research questions, enhancing result accuracy.

3.2.1 Primary Data

Primary data refers to original information collected firsthand for a specific research purpose. Designed for gathering original and research-specific information, primary

data enables researchers to attain a profound and nuanced understanding of the subject matter. These methods facilitate data-driven insights and support informed decision-making (Aggarwal, 2023). This data, obtained through methods like surveys or experiments, provides fresh insights and supports more targeted analysis.

Questionnaire: A questionnaire is a structured set of questions designed to gather information for research purposes and serves as a valuable data collection tool, enabling systematic data gathering from participants. It is essential for obtaining diverse perspectives and quantifiable responses, facilitating in-depth analysis and informed decision-making in various fields. In this research, it gathers primary data by distributing the questionnaire to understand the factors affecting housing preference of first time home buyer among university students in the Klang Valley area. Consequently, online survey questionnaires will be distributed for this purpose.

3.3 Sampling Design

Sampling design refers to the methodical plan or strategy employed to select a representative subset of individuals or elements from a larger population for the purpose of research or statistical analysis. Given that sampling forms the basis of almost all research project, a fundamental understanding of sampling design holds significant importance within the realm of statistics (Tim, 2024). This research involves distributing about 100 questionnaires to university students who lived in Klang Valley area and aged 18-35. The sampling design will start by identifying the target first home buyers and proceed to select sample frameworks, methods, elements, and size.

3.3.1 Sampling Target Population and Sampling Location

The group of individuals studied in an intervention, known as the target population or audience, possesses distinct characteristics for effective differentiation from the general population. Understanding and assessing their preferences and behaviours are essential for promoting goods, services, or researching specific features, aligning with business market segmentation strategies (Rao & Beckingham, 2013). This study targets first time home buyers who are currently a university student who aged 18 to 35 and live in Klang Valley region to identify the factors that affecting their housing preference of buying first home. The questionnaire is distributed through online platforms like WhatsApp, WeChat and Instagram, will require respondents to complete it via a Google Form link without skipping any questions. Utilizing Instagram, WeChat, and WhatsApp to distribute a Google Form survey offers unparalleled reach and accessibility. With their extensive user bases and daily usage, these platforms make it easy for individuals to access and respond to surveys. Moreover, their multimedia capabilities enable engaging content creation, driving higher participation rates in short time.

3.3.2 Sampling Technique

Sampling techniques involve selecting a subset from a larger population for research. Probability sampling ensures equal chances of selection for every member, using methods like random or stratified sampling. Non-probability sampling relies on subjective criteria and does not ensure the equal representation. Convenience sampling, a form of non-probability sampling, selects easily accessible participants based on convenience rather than random selection. While convenient, it may introduce bias and limit generalizability. Choosing between probability and non-probability sampling depends on research goals and constraints, with convenience sampling often used when practicality takes precedence over strict statistical representation. For convenience, we utilized the online survey administration tool, Google Forms, to distribute the questionnaire.

3.3.3 Sampling Size

Sample size, denoted by 'n,' represents the number of participants or observations included in a study, reflecting the scale of the sampled data (Sample Size and Power, n.d.). The questionnaire comprises two sections, A and B. It aims for young people who aged 18 to 35, currently studying in a university, and specifically targets first time home buyers within the Klang Valley area. Below is the calculation formula of Taro Yamane to calculate the sample size (Farzand, n.d.):

$$n = \frac{N}{1 + N * (e)^2}$$

n: sample size

N: population size

e: Margin of error (MoE)

The Klang Valley encompasses several areas: the Federal Territory of Kuala Lumpur, Gombak, Hulu Langat, Sepang, Klang, and Petaling. According to Department of Statistic Malaysia's (2023) data, the estimated population of young people aged between 18 to 35 years old in these areas is as follows: Federal Territory of Kuala Lumpur (724,300), Gombak (225,900), Hulu Langat (342,200), Sepang (79,900), Klang (269,300), and Petaling (543,700). Adding up these figures, the total estimated population size in Klang Valley area is approximately 2,185,300.

Calculation of Sample Size:

$$n = \frac{N}{1 + N * (e)^2}$$

$$n = \frac{2,185,300}{1 + 2,185,300 * (0.10)^2}$$

$$n = 99.9979$$

Adapted from: Research Developed 2023

The outcome indicates that a sample size of 99.9979 is required for the proportion, thus rounding up to 100 respondents is necessary to ensure the reliability and accuracy of the collected data. Therefore, 100 sets of google forms (online survey questionnaires) will be distributed to target respondents, university students aged between 18 and 35 years old in the Klang Valley for this research.

3.4 Research Instrument
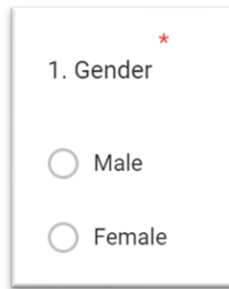
A research instrument is a tool or device used for collecting and analysing data in a research study. Questionnaires, interviews, observations, focus group discussions, and experiments constitute some of the examples of research instrument. In this study, survey questionnaires were selected as the research instrument to investigate the factors that affect the housing preference of first time home buyers among university students in Klang Valley area. Respondents are expected to spend approximately 5 to 10 minutes to complete the survey.

3.4.1 Design of Questionnaire:

In this study, the online survey questionnaire comprised two sections:

Section A: Demographic information

Figure 3.0: Example of Section A, Question 1.
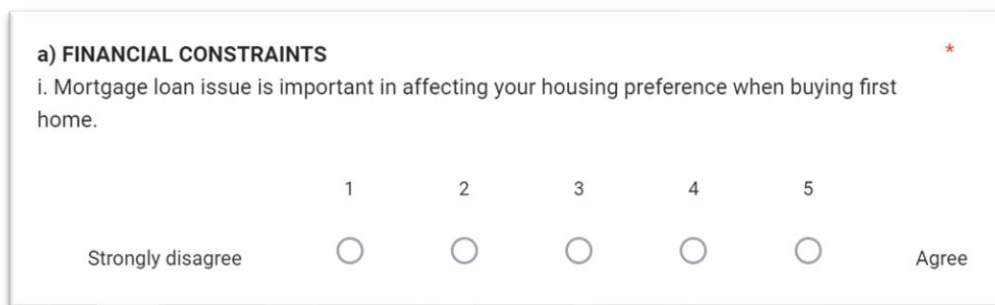
Section B: The factors that affect the housing preference of first time home buyers among university students in Klang Valley area.

Figure 3.1: Example of Section B Question 1

3.5 Construct Measurement

Construct measurement involves the systematic process of quantifying abstract concepts or constructs in a research study, often through the development and utilization of scales, questionnaires, or other measurement tools, to assess and operationalize the underlying variables of interest. Nominal Scale, ordinal scale and ratio scale are used in this study.

3.5.1 Nominal Scale

A nominal scale is a categorical measurement scale that classifies data into distinct categories without establishing a meaningful order or hierarchy. It assigns labels or names to different groups or entities, allowing for the identification and differentiation of categories. However, nominal data lacks quantitative significance, and there is no inherent order or value relationship between the categories. Examples include gender, ethnicity, or types of education level. Nominal scales are primarily used for classification purposes in research, providing a qualitative description of variables without implying any specific order or magnitude among the categories. A "Yes or No" question also includes as another example of the nominal scale, categorizing respondents into two groups based on their binary responses without implying any order or magnitude.

3.5.2 Ordinal Scale

The ordinal scale is a measurement system that orders and categorizes data, indicating the relative position or rank of elements without specifying the precise intervals between them. While it preserves the order, it lacks the assurance of equal intervals. For example, consider a Likert scale in which participants indicate their level of agreement: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. In research, this scale proves beneficial when the relative order or ranking of elements is significant, yet the precise differences between them lack consistent measurability or meaningful interpretation.

3.5.3 Ratio Scale

A ratio scale in measurement shares properties with an interval scale but includes a true zero point, signifying a complete absence of the measured attribute. This scale maintains order, equal intervals, and a fixed reference point, enabling meaningful ratio comparisons and discussions about the magnitude of differences. Examples, such as age and personal monthly income, highlight the utility of a ratio scale in allowing precise statements about ratios and proportions in statistical analyses.

3.5.4 Pilot Study

A pilot study, also referred to as a feasibility study, is a preliminary investigation carried out on a small scale before the primary research, aimed at assessing feasibility and refining the research methodology (Simkus, 2023). Pilot testing of questionnaires plays a crucial role in research preparation. It offers researchers an opportunity to evaluate the clarity, relevance, and effectiveness of their questions before full-scale implementation. Through pilot testing, researchers can identify and rectify ambiguities, confusing language, or biased wording in the questionnaire, ensuring that the instrument accurately captures the intended data. Additionally, pilot testing allows for the refinement of survey administration procedures, ensuring smooth data collection processes during the main study. Ultimately, conducting a pilot test enhances the validity and reliability of the research findings by mitigating potential sources of error and enhancing the overall quality of data collected. According to Simkus (2023), pilot studies are not suitable for hypothesis testing due to the absence of calculated power and sample size. Instead, they serve to evaluate the feasibility of participant recruitment and study design.

Pilot testing aims to verify the suitability of a method for larger-scale research and its overall feasibility. According to Sathiaseelan et al. (2020), this study suggests a sample

size ranging from 10 to 30 participants for such tests. Hence, in this research's pretest phase, a sample of 30 target respondents was employed to evaluate the viability and suitability of this study.

3.5.4.1 Cronbach's Alpha

Cronbach's alpha is a statically measure used to evaluate the internal consistency and reliability among multiple items, measurements, or ratings of a scale or set of related items in a questionnaire or test (Bujang, Omar & Baharum, 2018). It quantifies the extent to which the items within the scale are measuring the same underlying construct. The alpha coefficient ranges from 0 to 1, with higher values indicating greater internal consistency. It helps researchers ensure that the items in their measurement instrument are reliably measuring the intended concept or construct, thereby enhancing the validity of their findings.

Hair et.al. (2016) provided guidelines for assessing Cronbach's Alpha values for Likert scale instruments, as shown in table below. Cronbach's Alpha will be analysed using SPSS version 29.0. Values range from 0 to 1, with higher values indicating better internal consistency. According to Hair et.al. (2016), Cronbach's Alpha value that above 0.90 is excellent, above 0.80 is good, above 0.70 is acceptable, above 0.60 is questionable, above 0.50 is poor, and below 0.50 is unacceptable.

Table 3.0: Cronbach's Alpha value

Cronbach's Alpha	Internal Consistency
$a \geq 0.90$	Excellent
$0.80 \leq a > 0.90$	Very Good
$0.70 \leq a > 0.80$	Good
$0.60 \leq a > 0.70$	Moderate
$a < 0.60$	Poor

Source: Hair et.al. (2016)

3.6 Data Processing

Data processing plays a pivotal role in enhancing the quality and integrity of research outcomes, driving meaningful progress across various fields of study by facilitating advancements in knowledge (surveypoint.ai, 2023). Data processing involves converting raw data into a structured database format. In research, data processing encompasses the collection and transformation of a data set into valuable and actionable information. Various software packages are available for this task, along with additional tools to aid researchers in deriving insights from the compiled data. Typically, data processing results in the tabulation of data, facilitating the drawing of conclusions and the identification and understanding of insights. In this study, SPSS version 29.0 (Statistical Package for Social Science) was used as the statistical tool to assess the data profile and test hypotheses.

3.7 Data Analysis

Data analysis in research involves systematically interpreting and scrutinizing collected data to uncover patterns, trends, and insights that contribute to answering research questions or hypotheses. Data analysis involves examining, refining, converting, and modelling data to derive insights and aid decision-making, playing a crucial role in today's data-centric environment (Simplilearn, 2024). It empowers organizations to leverage data effectively, facilitating decision-making, process optimization, and competitive advantage. Through the transformation of raw data into actionable insights, data analysis enables businesses to pinpoint opportunities, mitigate risks, and improve overall performance. In this research, before carrying out the analysis, the data which obtained from online survey questionnaire will undergo evaluation using the Statistical Package for Social Science (SPSS) software, a widely recognized and frequently utilized analytical tool renowned for its comprehensive statistical

analysis and data management capabilities, producing information presented in tables and graphs.

3.7.1 Descriptive Analysis

Descriptive analysis is a method used to understand data by describing, summarizing, and presenting it in a clear manner to understand the data's basic characteristics (Rawat, 2021). It focuses on organizing and describing the data through statistical measures like mean, median, mode, and measures of variability. This method provides a clear overview of the dataset, enabling researchers to identify patterns, trends, and relationships within the data. Descriptive analysis does not involve making inferences or predictions but rather aims to provide a comprehensive snapshot of the data, laying the foundation for further analysis and interpretation in research studies. In this study, SPSS is used to conduct the descriptives analysis which computes a predefined set of fundamental descriptive statistics for one or multiple continuous numeric variables. The respondents' demographic data will be analysed using SPPS and presented in a pie chart.

3.7.2 Content Analysis

Content analysis is a research method to study communication by systematically examining and interpreting text, audio, or visual content. It involves categorizing and analysing words, themes, or concepts within the data to identify patterns, meanings, and relationships, providing insights into the nature of the content. According to Luo (2023), to undertake content analysis, one systematically gathers data from various forms of text, including written, spoken, or visual sources:

- Printed materials like books, newspapers, and magazines
- Verbal exchanges such as speeches and interviews

- Online content including web pages and social media updates

- Visual media like photographs and films

This analysis can take on quantitative aspects, involving numerical counting and measurement, or qualitative aspects, focusing on interpretation and comprehension. In both variants, words, themes, and concepts within the texts are categorized or "coded," followed by a thorough examination of the findings (Luo, 2023).

3.7.3 Inferential Analysis

Inferential analysis which also known as inferential statistics. According to Kalish and Harrison (2014), it encompasses two primary objectives: (1) estimating a characteristic within a larger population based on a sample, and (2) testing research hypotheses concerning that population. To accurately estimate a population characteristic, known as a parameter, it is crucial to obtain a random and unbiased sample from the population under scrutiny (Kalish & Harrison, 2014). By scrutinizing relationships, variances, or trends within the sample data, researchers infer whether analogous patterns are likely to exist at large. This method empowers researchers to formulate hypotheses, draw informed conclusions, and offer explanations that extend beyond the confines of the specific data set. Through inference, researchers contribute to advancing knowledge across diverse domains by deriving meaningful insights and predictions.

3.7.3.1 Relative Importance Index (RII)

Referring to the analysis of questionnaire responses from participants, the Relative Importance Index (RII) was calculated to rank all factors affecting the housing preference of university students when buying their first home. The Relative Importance Index (RII) is used for evaluating the relative significance of the quality

factors in consideration (Azman et.al., 2019). It is particularly valuable for questionnaires that employing Likert scale. It is computed by dividing the mean score of each factor by the sum of all mean scores, offering a relative measure of importance for each factor. The RII enables researchers to prioritise variables based on their perceived impact to contribution to the outcome of interest. This facilitates decision-making and resource allocation across diverse domains, including marketing, social sciences and organizational research as well. Akadiri (2011) mentioned that RI values are categorized into five importance levels: high (H) ($0.8 \leqslant RI \leqslant 1$), high-medium (H–M) ($0.6 \leqslant RI \leqslant 0.8$), medium (M) ($0.4 \leqslant RI \leqslant 0.6$), medium-low (M-L) ($0.2 \leqslant RI \leqslant 0.4$), and low (L) ($0 \leqslant RI \leqslant 0.2$). Below is the formula of Relative Importance Index (Tholibon et.al., 2021):

$$RII = \frac{W}{(A * N)} = \frac{5n5 + 4n4 + 3n3 + 2n2 + 1n1}{5(5n5 + 4n4 + 3n3 + 2n2 + 1n1)}$$

Where:

N1= Respondents who selected "Strongly disagree."

N2= Respondents who selected "Disagree."

N3= Respondents who selected "Neutral."

N4= Respondents who selected "Agree."

N5= Respondents who selected "Strongly agree."

N=Number of respondents, 100

A (Highest Weight) =5

3.8 Conclusion

This chapter thoroughly covers the research methodology, encompassing aspects such as the data research design, research method, data collection method, research instruments, questionnaire design, population and sample determinations, pilot study, and data analysis approach. The questionnaire results will be showcased in the subsequent chapter, Chapter 4, dedicated to data analysis approach.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

In this chapter, data was gathered through an online questionnaire survey from respondents. The collected data will be analysed based on the questionnaire results to ensure accurate information collected. Respondents' ages range from 18 to 35 years old. The questionnaire comprised 15 questions aligned with research objectives and 7 questions concerning demographic information. The research findings and analysis will be presented and discussed in this chapter.

This chapter consist of the descriptive analysis of respondents' demographic information, covering age, gender, ethnicity, education level, income level, and homeownership. Following this, scale measurement will be conducted, including a reliability test for all research variables. It also covers the steps of calculating Relative Importance Index (RII) value to rank the most affecting factors.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

Table 4.1.1: Demographic data of respondents

Demographic	Groups	N	%

| Gender	Male	52	52
	Female	48	48
Age	18-21 years old	39	39
	22-25 years old	44	44
	26-30 years old	10	10
	31-35 years old	7	7
Ethnicity	Chinese	87	87
	Malay	7	7
	Indian	5	5
	Others	1	1
Highest Educational Level	Foundation	22	22
	Diploma	15	15
	Bachelor's degree	57	57
	Master	5	5
	Ph.D.	0	0
	Others	1	1
Personal Monthly Income	RM1,000 and below	60	60
	RM 1,000- RM 2,000	16	16
	RM 2,000- RM3,000	15	15
	RM 5,000 and greater	9	9
Housing Status	Live with parents	67	67
	Having own house	0	0
	Renting house	33	33
Are you owning a house?	Yes	0	0
	No	100	100

Source: Research Developed 2023

(A) GENDER

The demographic data analysis reveals that among 100 university student respondents,
there is a fairly balanced representation of gender. Out of these respondents, 52

53

respondents are male, constituting 52% of the total sample. While 48 respondents identify as female, making up the remaining 48%.

Figure 4.1.1: Respondents' Distribution: Gender
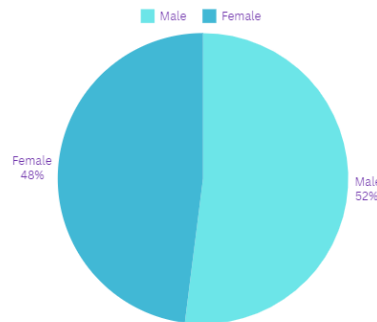
(B) AGE

The analysis of first time home buyers among university students, focusing on individuals aged 18-35 years old, reveal interesting insights into the age distribution within the respondent pool. Among the 100 respondents, the largest proportion falls within the 22-25 years old age group, comprising 44% of the total sample. Following closely behind are respondents aged 18-21 years old, accounting for 39% of the sample. Additionally, there is a smaller representation of older age groups, with respondents aged 26-30 years old constituting 10% of the sample, and those aged 31-35 years old making up 7% of the total respondents.

Figure 4.1.2: Respondents' Distribution: Age
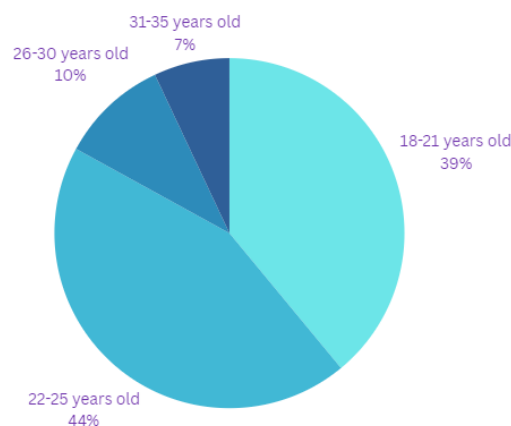
(C) ETHNICITY

Among the respondents, the majority identify as Chinese, with 87 respondents representing the largest ethnic group in this study. Meanwhile, there is a smaller representation of other ethnicities, with 7 respondents identifying as Malay and 5 as Indian. Moreover, there is one respondent categorised as "Others".

Figure 4.1.3: Respondents' Distribution: Ethnicity
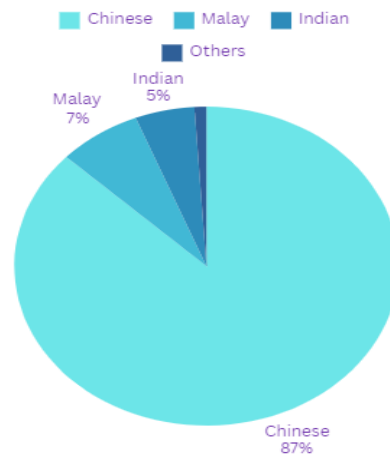
(D) HIGHEST EDUCATIONAL LEVEL

The majority of respondents, 57 individuals, hold a Bachelor's Degree, reflecting the prevalent educational attainment within the sample. Following this, 22 respondents have completed a Foundation program, while 15 of respondents hold a Diploma. Additionally, there are 5 respondents who have pursued a Master's. However, no respondents have attained a Ph.D., indicating the absences of doctoral-level education within the sample. Furthermore, one respondent falls under the category of "Others".

Figure 4.1.4: Respondents' Distribution: Highest Educational Level
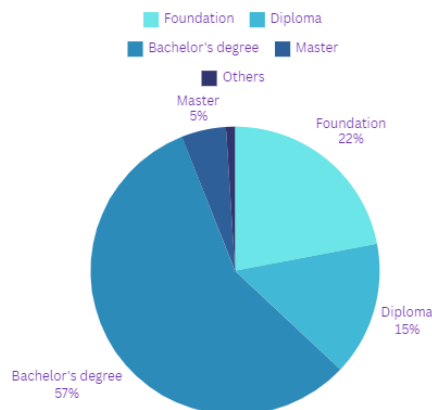
(E) PERSONAL MONTHLY INCOME

The analysis of respondents' personal monthly income provides valuable insights into the financial profiles within the sample. The majority of respondents, comprising 60 individuals, report a monthly income of RM1,000 and below. Additionally, 16 respondents fall within the income range of RM1,000 to RM2,000. While 15 respondents earn between RM2,000 to RM3,000 per month. 9 respondents report a monthly income of RM5,000 or greater, indicating a small but notable proportion of higher-income earners within the sample. This income distribution highlights the diverse financial backgrounds among the respondents, underscoring the importance of considering income disparities in analysing their preference and behaviour as first time home buyers among university students.

Figure 4.1.5: Respondents' Distribution: Personal Monthly Income
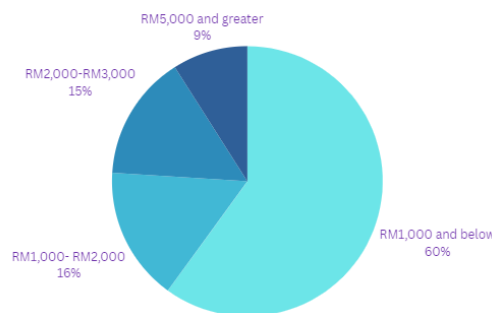
(F) HOUSING STATUS

The respondents' housing status reveals that the majority, 67 individuals are currently living with their parents. The remaining 33 respondents report renting a house, showing that renting is also a common housing arrangement among university students in the sample.

Figure 4.1.6: Respondents' Distribution: Housing Status
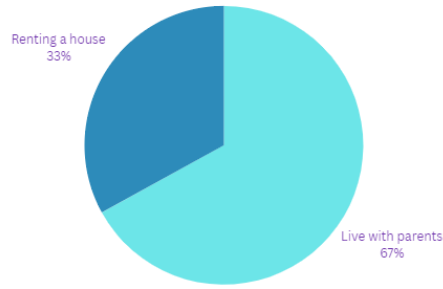
(G) ARE YOU OWNING A HOUSE

All 100 respondents are university students and first time home buyers who do not currently own a house. This highlights the unique perspective of this young demographic entering the housing market for the first time.

Figure 4.1.7: Respondents' Distribution: Are you owning a house

4.2 Content Analysis

Below shows the table of content analysis detailing the Factors Affecting Housing Preference of First Time Home Buyers among University Students in the Klang Valley area.

Table 4.2: Factors Affecting Housing Preference of First Time Home Buyers among University Students in Klang Valley area

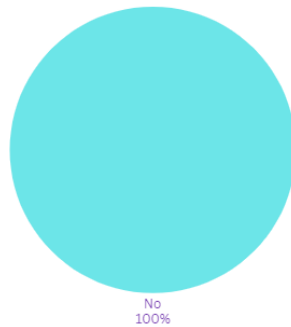| Factors	Elements	Authors
(i) Financial Constraint	1. Mortgage loan	Ismail et.al. (2021)
		Thanaraju et.al. (2019)
	2. Down payment	Zyed et.al. (2020)
	3. Income Level	Hei & Dastance (2017)
		Rangel (2019)
(ii) Housing Price	1. Property's price	Chia et.al. (2016)
		Yaacob et.al., (2023)
		Leh et.al., (2016)
		Hassan et.al., (2021a)
		Hassan et.al., (2022)
	2. Affordable housing price	Aldfeen (2024)
	3. Luxury housing price	Aldfeen (2024)
(iii) Housing Location	1. Proximity	Hartono et.al., (2022)
		Chia et.al. (2016)
		Thanaraju et.al. (2019)
	2. Urban area	Olanrewaju & Tan (2018)
	3. Sub-urban area	Thanaraju et.al. (2019)
(iv) Housing Environment	1. Physical elements	Ismail et.al. (2021)
		Thanaraju et.al. (2019)
		Chia et.al. (2016)
		Ismail et.al. (2021)
	2. Social elements	Muhammad et.al., (2022)
	3. Emotional elements	Muhammad et.al., (2022)
(v) Housing Attributes	1. Size	Chernobai & Hossain (2017)
	2. Layout	Soon & Tan (2019b)
	3. Type	Yaacob et.al., (2023)

The housing preference of university students buying their first home are affected by various factors and elements, as revealed in the comprehensive content analysis provided above. Financial constraints, including mortgage loans, down payments, and income levels, significantly impact affordability and accessibility to housing options. Locational preferences, such as proximity to the university, access to amenities, and safety considerations, play a crucial

role in decision-making. Environmental factors, encompassing neighbourhood quality, green spaces, and community support, also affect the university students' perceptions of potential homes buying. Additionally, attributes like size, layout, and housing type are key determinants of housing preference, accommodating students' lifestyle needs and future plans. Overall, the analysis highlights the complex interplay of financial, price, locational, environmental, and attribute-related factors shaping the housing preferences of university students as they enter the housing market for the first time. Understanding these dynamics is essential for stakeholders, including developers, policymakers, and educational institutions, to effectively address the needs of this demographic.

4.3 Scale Measurement

4.3.1 Reliability Analysis

Table 4.4.1: Result of Cronbach's Alpha Reliability Analysis

Factors	Number of items	Cronbach's Alpha
Financial Constraints	3	0.871
Housing Price	3	0.621
Housing Location	3	0.669
Housing Environment	3	0.732
Housing Attributes	3	0.798

Referring to the rule of thumbs for Cronbach's Alpha, as outlined in Table 3.0, is applied in this study. According to the findings presented in Table 4.4.1, there are two factors, housing price and housing location, with perceived scores of 0.621 and 0.669 respectively, falling into the category of questionable reliability. Conversely, housing environment and housing attributes, with scores of 0.732 and 0.798 respectively, show acceptable reliability. The factor of financial constraints exhibits good reliability,

boasting a value of 0.871. Consequently, the results indicate that this questionnaire is reliable and acceptable, demonstrating respondent comprehension and suitability for distribution.

4.4 Inferential Analysis

4.4.1 Relative Importance Index (RII)

Table 4.5.1: Respondents' responses towards the Factor that affects housing preference of university students towards buying first home: Financial Constraints with Relative Importance Indexes (RII)

F1: Financial Constraints	N5	N4	N3	N2	N1	SUM	RII	Rank Factors	Median
(i) Mortgage loan issue is important in affecting your housing preference when buying first home	44	37	13	6	0	419	0.838	2	
(ii) Down payment issue is important in affecting your housing preference when buying first home	32	46	12	9	1	399	0.798	3	0.843
(iii) Your income level is important in affecting	66	24	5	1	4	447	0.894	1	

your housing preference when buying first home								

The table above shows the Relative Importance Index (RII) results of a key factor affecting the housing preference of first time home buyers among university students, which is the financial constraints. Regarding this factor, respondents expressed primary concern for their income level in determining their housing preference for purchasing their first home, followed by concerns about mortgage loans and then down payment issues. The median RII for the financial constraint factor is 0.843. It's importance level is considered as high.

Table 4.5.2: Respondents' responses towards the Factor that affects housing preference of university students towards buying first home: Housing Price with Relative Importance Indexes (RII)

F2: Housing Price	N5	N4	N3	N2	N1	SUM	RII	Rank Factors	Median
(i) You are willing to buy affordable housing with basic facilities (price range: RM200,000-RM380,000)	18	37	28	12	5	351	0.702	2	
(ii) You prefer to buy luxury housing to enjoy its various facilities (price range: RM500,000 and above)	13	34	25	25	3	329	0.658	3	0.693
(iii) You prefer to buy your first home with higher price to enjoy its prime location benefits	23	37	21	14	5	359	0.718	1	

(price range: RM500,000 and below)									

The table above shows the Relative Importance Index (RII) results for factor affecting the housing preference of university students regarding their first home purchase: housing price. Major respondents showed a preference for buying their first home in the price range of RM500,000 and below to take advantage of prime location benefits. Affordable housing, priced between RM200,000 and RM380,000, ranked the second. Luxury housing, priced at RM500,000 and above, was ranked last. The median RII for the housing price factor is 0.693. Its level of importance is deemed high-medium.

Table 4.5.3: Respondents' responses towards the Factor that affects housing preference of university students towards buying first home: Housing Location with Relative Importance Indexes (RII)

F3: Housing Location	N5	N4	N3	N2	N1	SUM	RII	Rank Factors	Median
(i) Good proximity to workplace, schools, public transportation and other essential services is important factor when buying your first home	50	31	14	3	2	424	0.848	1	
(ii) You are willing to buy your first house nearby outskirts area	10	31	22	29	8	306	0.612	3	
(iii) You prefer buying your first home in an urban area because of the proximity close to city centre	30	44	18	8	0	396	0.792	2	0.751

According to the data provided in the table above, a significant majority of respondents indicated a preference for choosing their first home in an area characterised by convenient proximity and accessibility. Additionally, the data also shows the preference among respondents for living in an urban area rather than suburban area. The median RII for the housing location factor is 0.751. Its level of importance is deemed high-medium.

Table 4.5.4: Respondents' responses towards the Factor that affects housing preference of university students towards buying first home: Housing Environment with Relative Importance Indexes (RII)

F4: Housing Environment	N5	N4	N3	N2	N1	SUM	RII	Rank Factors	Median
(i) Social elements are important to you in your first home environment (exp: community activities, neighbourhood events, and social activity)	18	36	23	15	8	341	0.682	3	
(ii) Physical elements are important to you in your first home environment (exp: green spaces, proximity to parks, gated and guarded)	30	44	13	11	2	389	0.778	1	0.755
(iii) Emotional elements are important to you in your first home environment (exp: sense	24	43	18	12	3	373	0.746	2	

of community,								
peacefulness and								
aesthetic appeal)								

The table above presents the Relative Importance Index (RII) results for housing environment factor. Respondents ranked physical elements as their top concern, followed by emotional elements. Social elements were considered the least important factor in buying their first home. The median RII for the housing environment factor is 0.755. Its level of importance is deemed high-medium.

Table 4.5.5: Respondents' responses towards the Factor that affects housing preference of university students towards buying first home: Housing Attributes with Relative Importance Indexes (RII)

F5: **Housing Attributes**	**N5**	**N4**	**N3**	**N2**	**N1**	**SUM**	**RII**	**Rank** **Factors**	**Median**
(i) The size of house is important for you when buying first home	28	39	22	10	1	383	0.766	3	
(ii) The type of house is important when buying first home (exp: condominium, apartment, single storey detached house)	36	36	13	13	2	391	0.782	1	0.773
(iii) The layout of house is important for you when buying first home	37	34	12	12	5	386	0.772	2	

The table above shows the Relative Importance Index (RII) findings regarding housing attributes as one of the factors affecting the housing preference of university students for first homes. According to respondents, the type of house emerged as their primary

consideration, with the layout of the house following closely behind. Conversely, the size of the house was deemed the least significant factor in the decision-making process. The median RII for the housing attributes factor stands at 0.773. Its level of importance is deemed high-medium.

4.5 Conclusion

To summarise this chapter, 100 online survey questionnaires were distributed and collected from university students who also act as first time home buyers living in Klang Valley area through Google Form. Pie charts were utilised to analyse the demographic background of the respondents aged between 18-35 years old. SPSS software is used to conduct normality tests and reliability analysis to assess the distribution of the data is normal or not normal and calculate Cronbach's Alpha value, respectively. The Relative Importance Index (RII) method is utilized to analyse the factors that most affecting the housing preference of university students when buying their first home. Additionally, it is utilized to compute the median value

CHAPTER 5: DISCUSSION, CONCLUSION, AND IMPLICATIONS

5.0 Introduction

In this chapter, the findings of the research were examined in relation to how they met the research objectives. Additionally, the chapter includes a summary of the statistical analysis is conducted. Furthermore, the implications of the study are discussed, highlighting its significance and potential applications. The chapter also addresses the limitations faced when carrying out the research, providing insights into areas where further investigation may be warranted. Lastly, recommendations for future research are outlined, suggesting potential avenues for expanding upon the current study.

5.1 Summary of Statistical Analysis

5.1.1 Content Analysis on the Factors Affecting Housing Preference of First Time Home Buyer Among University Students

After carrying out the content analysis across numerous literature reviews, it shows that certain factors consistently affecting the housing preference of university students when purchasing their first home. These key factors include financial constraints, housing prices, housing location, housing environment, and housing attributes. These five factors are strongly supported by various researchers, highlighting the significance of these aspects in shaping housing preference among this demographic (Yaacob et.al.,

2023; Chia et.al., 2016; Thanaraju et.al., 2019; Khan et.al., 2017; Ismail et.al., 2017). This content analysis serves as a valuable tool for university students, aiding them in gaining a deeper understanding of their housing preference prior to making their first home purchase. By considering these factors, university students can mitigate the risk of making wrong decisions when navigating the housing market for the first time. In essence, it enhances them to make informed choices aligned with their individual needs and preferences, enhancing their overall satisfaction with their first home buying experience.

5.1.2 Relative Importance Index of Factors Affecting Housing Preference of First Time Home Buyer Among University Students

Referring to the table 4.3.1; table 4.3.2; table 4.3.3; table 4.3.4; and table 4.3.5, the respondents, who are university students, shows different concerns across the factors affecting their housing preference when buying their first home. The survey aims to understand the significance of each of these five factors to the respondents regarding their housing preference. The Relative Importance Index (RII) is utilized to rank the factors and the subfactors. Additionally, the median of each factor is calculated to determine the importance level of the factor and ranking the most affecting factor. The importance level of financial constraints factor is deemed as high, while the other factors such as housing price, housing location, housing environment and housing attributes are in the high-medium of importance level. Therefore, it can be inferred that among the factors affecting the housing preference of university students, financial constraints, particularly their income level, emerge as the most impactful and critical. This suggests that the financial resources available to university students play a pivotal role in determining their housing preference. Despite variations in their Relative Importance Index (RII), these five factors are prioritized in this study's analysis.

5.2 Discussions of Major Findings

The results of this research show that five main factors significantly influence the housing preference of university students when considering purchasing their first home in the Klang Valley area: financial constraints, housing price, housing location, housing environment, and housing attributes. This finding aligns with previous research by Yaacob (2023), indicating a consistency in the factors influencing housing preference among this demographic. Moreover, the study sheds light on the current instability of housing development in Malaysia, attributed to a high number of unsold properties. By understanding the preferences of potential buyers, particularly young people including the university students who constitute a significant portion of the population, housing developers can offer tailored housing packages that better match the needs and preference of this demographic. These findings underscore the significance of adapting to the preference of first time home buyers among university students, as their decisions could significantly shape the future housing market in Malaysia.

The study successfully identified five main factors that significantly affect the housing preference of university students in Klang Valley area towards buying their first home. These factors include financial constraints, housing price, housing location, housing environment, and housing attributes. Through comprehensive data analysis and literature review, the research was able to provide insights into the key determinants shaping the housing preference of this demographic. In short, the research objectives were successfully met.

The study found that all five identified factors play significant roles in shaping the housing preference of university students in buying their first home. However, further analysis revealed that financial constraints emerged as the most affecting factor, followed closely by housing attributes and housing environment. This finding underscores the importance of considering financial affordability especially the income level alongside other factors when understanding the housing preference of first time home buyers among university students in the Klang Valley area.

Table 5.2.1: Results of hypotheses

Hypothesis	Result
H1: Financial constraints have a significant affect towards the housing preference of university students while buying their first home.	Accepted
H2: Housing price have a significant affect towards the housing preference of university students while buying their first home.	Rejected
H3: Housing price have a significant affect towards the housing preference of university students while buying their first home.	Rejected
H4: Housing price have a significant affect towards the housing preference of university students while buying their first home.	Accepted
H5: Housing price have a significant affect towards the housing preference of university students while buying their first home.	Accepted

Source: Research Developed 2023

Based on the findings, H1 is accepted, as it represents the most affecting factor in determining the housing preference of university students when buying their first home. This is supported by the research on housing preference among Malaysian youths (2021) which reveals that financial constraints are the biggest hurdle during buying a home. This includes issues like not having enough money for housing expenses, struggling to save for down payments, and facing high housing costs compared to income. Many young people also the university students see housing as expensive, mainly because prices are rising faster than their incomes. Within the category of financial constraints, which includes factors like mortgage loan issues, down payment challenges, and income levels, income level emerges as the most significant financial constraint for first time home buyers, impacting mortgage eligibility and down payment capabilities. Research by Ismail et al. (2021) and Hei & Dastance (2017) supports this,

highlighting income's pivotal role in housing affordability and decision-making. A higher income provides individuals with greater financial capacity to navigate the complexities of homeownership, including securing mortgage loans and making substantial down payments. Conversely, individuals with lower incomes may find themselves disproportionately burdened by the financial demands associated with purchasing a home, making it more difficult to overcome obstacles such as saving for a down payment or qualifying for favourable loan terms. Also, higher incomes afford better housing options.

Based on the findings, H5 is also accepted. Housing attributes is the second factor that significantly affecting the housing preference of university students in buying their first home. Housing attributes encompass various features and qualities defining a property, affecting the first time home buyers' decisions. These include interior and exterior design, building quality, and amenities (Chia et al., 2016). Soon and Tan (2019b) identify floor plan, interior finish, and home size as key considerations. Housing type, such as condominiums or apartments, is favoured among young buyers (Yaacob et al., 2017). Proximity to amenities and practicality also guide choices (Tan, 2012). By supporting by other study, university students which involve in this study choose housing type as the most important housing attribute, emphasizing variables such as apartment and condominium, followed by the layout and size of the house.

Last but not least, H4 is accepted. Housing environment significantly affects first time home buyer preference, encompassing physical, social, and emotional elements. Young people prioritize affordable options with community features like bike storage and parks (Muhammad et al., 2022; Yaacob, 2023). For university students, reliable internet and spaces for remote learning are crucial (Sarif et al., 2018). Cleanliness and security also impact housing decisions (Thanaraju et al., 2019). Gated and guarded environments offer enhanced safety (Tan, 2011b). Sustainability is increasingly important, aligning with government initiatives (Tan, 2011b). In this study, university students prioritize the physical elements of their first housing environment, followed by emotional elements, and place less importance on social elements. This indicates a strong emphasis on comfort, functionality, and personal well-being in their living space such as the setting of green spaces, housing which gated and guarded and proximity to park. Therefore, housing developers must tailor housing options to meet the evolving preference of university students in the Klang Valley area.

5.3 Implications of the Study

This study holds significant implications for university students, offering them a deeper understanding of their housing preference and the factors affecting these decisions when buying their first home. By providing insights into important considerations prior to buying a home, such as financial constraints, housing prices, housing location, housing environment, and housing attributes. This study serves as a valuable guide for informed decision-making. Moreover, the identification of key factors affecting housing preference provides valuable reference points for government policymakers and developers, enabling them to tailor housing policies and design residential developments that better meet the needs of university students. Overall, the study contributes to empowering university students in navigating the housing market while also informing stakeholders in the housing industry of the preferences and considerations of this demographic segment.

5.4 Limitations of the Study

There are some limitations in this study. Firstly, relying exclusively on primary data sources of varying quality and completeness can also restrict the analysis and interpretation of findings, thereby limiting the robustness of the study outcomes. Ensuring the quality and completeness of primary data through rigorous data collection protocols, validation procedures, and quality assurance measures is essential to enhance the trustworthiness and credibility of the study findings. Secondly, the relatively small sample size may have constrained the generalisability of the study's conclusions to all university students within the Klang Valley area. A larger and more diverse sample would have provided a more comprehensive understanding of housing preference among university students in the region, enhancing the validity and applicability of the findings. Additionally, the study's scope is limited to the Klang Valley area. To ensure the

research gathers more precise data, it should encompass university students from across
Malaysia.

5.5 Recommendations for Future Research

For future research, several recommendations can enhance the depth and breadth of
understanding in housing preference among university students. Firstly, data verification is
vital to ensure the accuracy and completeness of collected data. This can be achieved through
double data entry, cross-validation with independent sources, or comparison against established
benchmarks. By systematically verifying the data, the researchers enhance confidence in its
quality and validity. Secondly, expanding the sample size and diversity of respondents,
including university students from various institutions and geographical locations within the
Klang Valley area, would improve the generalisability and representativeness of findings.
Additionally, conducting qualitative explorations through in-depth interviews or focus group
discussions would offer deeper insights into the underlying motivations and experiences
shaping housing preferences. By implementing these recommendations, future research can
contribute to a more thorough understanding of housing preference among university students
and inform the development of tailored housing solutions and policies to meet their evolving
needs.

5.6 Conclusion

In conclusion, this study identifies the factors affecting the housing preference of first time home buyers among university students in the Klang Valley area and examines the most significant factors that affecting their housing preference. Through content analysis, five key factors affecting housing preference among university students are identified: financial constraints, housing price, housing location, housing environment, and housing attributes. The Relative Importance Index (RII) is used to achieve the second objective, revealing that financial constraints, particularly income level, exert the greatest influence on the housing preference of university students when buying their first home. This is followed by housing attributes, housing environment, housing location, and finally, housing price. As a result, the research objectives are successfully fulfilled, and the research questions are addressed. Ultimately, the findings of this study provide valuable insights for university students to consider before making decisions regarding their first home purchase.

References

Aggarwal, C. (2023, September 13). Primary Data Collection Methods: Meaning and

Techniques - Shiksha Online. Shiksha.com. Retrieved February 3, 2024 from https://www.shiksha.com/online-courses/articles/primary-data-collection-methods-meaning-and-techniques/

Aldeen. (2024, January 22). Purchasing your first home in Malaysia made easier with these 5

housing schemes. IQI Blog. Retrieved October 24, 2023 from https://www.iqiglobal.com/blog/first-home-schemes-malaysia/#:~:text=5.,Bank%20Negara%20My%20First%20Home%20Scheme,300%20are%20eligible%20to%20apply

Akadiri O.P., 2011, Development of a Multi-Criteria Approach for the Selection of Sustainable

Materials for Building Projects, PhD Thesis, University of Wolverhampton, Wolverhampton, UK.

Azman, N. S., Ramli, M. Z., Razman, R., Zawawi, M. H., Ismail, I. N., & Isa, M. R. (2019,

July). Relative importance index (RII) in ranking of quality factors on industrialised building system (IBS) projects in Malaysia. In *AIP Conference Proceedings* (Vol. 2129, No. 1). AIP Publishing.

Bilal, M., Meera, A. K. M., & Razak, D. A. (2019). Issues and challenges in contemporary

affordable public housing schemes in Malaysia. International Journal of Housing Markets and Analysis, 12(6), 1004– 1027. https://doi.org/10.1108/ijhma-11-2018-0091

Bramley, G., Pawson, H., White, M., Watkins, D., & Pleace, N. (2010). Estimating housing

need.

Bujang, M. A., Omar, E. D., & Baharum, N. A. (2018). A review on sample size determination

for Cronbach's alpha test: a simple guide for researchers. The Malaysian journal of medical sciences: MJMS, 25(6), 85.

Catherine Cote. (2021, December 2). 7 data collection methods in Business Analytics. Business Insights Blog. Retrieved September 28, 2023, from https://online.hbs.edu/blog/post/data-collection-methods

Chernobai, E., & Hossain, T. (2017). Determinants of house buyers' expected holding periods in boomand-bust markets in California. International Journal of Housing Markets and Analysis, 10(2), 256–281. https://doi.org/10.1108/IJHMA-05-2016-0034

Chia, J., Harun, A., Kassim, A. W. M., Martin, D., & Kepal, N. (2016). Understanding factors that influence house purchase intention among consumers in Kota Kinabalu: An application of buyer behavior modeltheory. Journal of Technology Management and Business, 03(02), 94–110https://penerbit.uthm.edu.my/ojs/index.php/jtmb/article/view/1466

Chin, K. S. (2016). Attributes influencing home buyers' purchase decision: A study of residential property in Setia Alam (Doctoral dissertation, UTAR)

Department of Statistics Malaysia. (2022). Current Population Estimates. Department of Statistics Malaysia Official Portal. https://dev.dosm.gov.my/portal-main/release-content/current-population-estimatesmalaysia-2022

Dosm. (n.d.). Department of Statistics Malaysia. https://www.dosm.gov.my/portal-main/release-content/current-population-estimates-by-adminstrative-district

Farzand, A. (n.d.). Yamanes Formula - Sample Calculation. Scribd. https://www.scribd.com/document/438058892/Yamanes-Formula-Sample-Calculation

Hair, Josept F :, Celsi, mary;Money, Arthur; Samouel, Philip; and Page, Michael, "The Essentials of Business Research Method, 3rdEdition " (2016). 2016 Faculty Bookshelf.2.http://digitalcommons.kennesaw.edu/facbooks2016/2

Hankin, A. (2022, June 21). *The Real Reasons Millennials Aren't Buying Homes*. Investopedia. Retrieved November 17, 2023, from https://www.investopedia.com/news/real-reasons-millennials-arent-buying-homes/

Hartono, D., Irawan, T., Khoirunnurrofik, K., Partama, R., Mujahid, N. W., & Setiadestriati, D.
(2022).Determinant factors of urban housing preferences among low-income people in
greater Jakarta. International Journal of Housing Markets and Analysis, 15(5), 1072–
1087. https://doi.org/10.1108/IJHMA-05-2021-0056

Hassan, M. M., Ahmad, N., & Hashim, A. H. (2021a). Housing Purchase Decision: The
Variations Type of Housing Development in Malaysia. International Journal of
Academic Research in Business and Social Sciences, 11(7), 463–484.

Hassan, M. M., Ahmad, N., & Hashim, A. H. (2022). Opportunities in Housing Property for
Young and First-Time Homebuyer in Malaysia. *Social Sciences*, *12*(1), 942-955.

Hei, C.P and Dastance, O. (2017). "Buying a dream home- considerations of residential
property consumers in Malaysia", Singaporean Journal of Business Economics and
Management Studies, Vol. 5 No.9, pp.19-35.

Henilane, I. (2016). Housing concept and analysis of housing classification. Baltic Journal of
Real Estate Economics and Construction Management, 4(1), 168–179.
https://sciendo.com/abstract/journals/bjreecm/4/1/article-p168.xml

Hoek J, Thrul J, Ling P. Qualitative analysis ofyoung adult ENDS users'expectations and
experiences. BMJOpen2017 ;7:e014990.doi:10.1136/bmjopen-2016-014990

IPC. (n.d.). https://www.educationoverseas.com/malaysia_education_system.php

Ismail, S., Abdul Manaf, A., Hussain, M. Y., Basrah, N., & Muhamad Azian, F. U. (2021).
HOUSING PREFERENCES: AN ANALYSIS OF MALAYSIAN
YOUTHS. *PLANNING MALAYSIA*, *19*(17). https://doi.org/10.21837/pm.v19i17.993

Jansen, S.J., Coolen, H.C. & Goetgeluk, R.W., (2011). The measurement and analysis of
housing preference and choice. Dordrecht: Springer Nature.

Kalish, C. W., & Thevenow-Harrison, J. T. (2014). Descriptive and inferential problems of
induction. In Psychology of Learning and Motivation (pp. 1–39).
https://doi.org/10.1016/b978-0-12-800283-4.00001-0

Kim, J. S., & Kim, J. M. (2017). The relation between housing needs and housing function according to the Maslow's theory of needs. *KIEAE Journal*, *17*(4), 13-19.

Komurlu, R., Gurgun, A. P., & Arditi, D. (2013). Drivers of residential developers' marketing strategies based on buyer preferences. METU Journal of the Faculty of Architecture,3(2), 1-16.

Leh, O. L. H., Mansor, N. A., & Musthafa, S. N. A. M. (2016). The housing preference of young people in Malaysian urban areas: A case study Subang Jaya, Selangor. Geografia, 12(7).

Luo, A. (2023, June 22). Content Analysis | Guide, Methods & Examples. Scribbr. Retrieved February 3, 2023from https://www.scribbr.com/methodology/content-analysis/

Luu, L. B., & Tonthat, A. Q. (2021). *Buying Your Home: A Practical Guide for First-Time Buyers*. Routledge.

Malaysian homes 'seriously unaffordable', says BNM official. (2019, October 24). New Straits Times. Retrieved on November 17, 2023 https://www.nst.com.my/business/2019/10/532940/malaysian-homes-seriously-unaffordable-says-bnm-official

Maslow, A., & Lewis, K. J. (1987). Maslow's hierarchy of needs. *Salenger Incorporated*, *14*(17), 987-990.

McLeod, S. (2007). Maslow's hierarchy of needs. *Simply psychology*, *1*(1-18).

Mishra, P., Pandey, C. M., Singh, U., Gupta, A., Sahu, C., & Keshri, A. (2019). Descriptive statistics and normality tests for statistical data. Annals of cardiac anaesthesia, 22(1), 67-72.

Mohd Shafie, S. H., Mahmud, M., Mohamad, S., Rameli, N. L. F., Abdullah, R., & Mohamed, A. F. (2022). Influence of urban air pollution on the population in the Klang Valley, Malaysia: a spatial approach. Ecological Processes, 11(1), 1-16.

Muhammad Zamri, N.E.M., Yaacob, M.'. and Mohd Suki, N. (2022), "Assessing housing

preferences of young civil servants in Malaysia: do location, financial capability and

neighbourhood really matter?", International Journal of Housing Markets and Analysis,

Vol. 15 No. 3, pp. 579-591. https://doi.org/10.1108/IJHMA-02-2021-0012

Nuradzimmah, D. &Hana, N.H. (2023, March 1). House prices rising twice as fast as wages.

New Straits Times. Retrieved on December 17, 2023 from
https://www.nst.com.my/news/nation/2023/03/885097/house-prices-rising-twice-fast-
wages-dewan-told

Olanrewaju, A., & Tan, S. Y. (2018). An exploration into design criteria for affordable housing

in Malaysia. Journal of Engineering, Design and Technology, 16(3), 360–384.

https://doi.org/10.1108/JEDT-12-2017-0125

Opoku, R., & Abdul-Muhmin, A. (2010). Housing preferences and attributes importance

among low-income consumers in Saudi Arabia. Habitat International, 34, 219–227.

Petrus, V. (2012). Study on the key factors influencing buyers' preferences for house purchase

in Kota Kinabalu (Doctoral dissertation, Universiti Malaysia Sabah).

Rahman SA, Hamzah MS, Elias MS, Salim NAA, Hashim A, Shukor S, Siong WB, Wood AK

(2015a) A long-term study on characterization and source apportionment of particulate

pollution in Klang Valley Kuala Lumpur. Aerosol Air Qual Res 15(6):2291–2304.

https://doi.org/10.4209/aaqr.2015.03.0188

Rangel, G.,Ng, J., Murugasu, T. and Poon, W. (2019), " Measuring Malaysian housing

affordability: the lifetime income approach", International Journal of Housing Markets

and Analysis, Vol. 12 No.5, pp. 966-984

Rao, M. R., & Beckingham, A. (2013). Food, nutrition, and public health. In Elsevier eBooks

(pp. 87–94). https://doi.org/10.1016/b978-0-12-384703-4.00114-3

Rawat, A. S. (2021, March 31). What is Descriptive Analysis?- Types and Advantages |

Analytics Steps. Retrieved February 3, 2024 from
https://www.analyticssteps.com/blogs/overview-descriptive-analysis

Sample size and power. (n.d.). Retrieved February 3, 2024 from https://www.iwh.on.ca/what-

researchers-mean-by/sample-size

andpower#:~:text=Sample%20size%20refers%20to%20the,the%20study%20to%20dr

aw%20conclusions.

Sarif, S.M., Mohamed, S.F.P. and Khallid, M.S. (2018), "Assessing decision factors for house

purchasing (needs vs preferences) from case study of first-time potential home buyers

in Klang valley: towards technology-mediated individual decision aid", Knowledge

Management International Conference (KMICe), pp. 25-27

Sathiaseelan, P., Dava, A. D. B., & Mahmud, B. (2020, March). A study on determinants that

effect Klang Valley (Malaysia) consumer preference in rail industry. In IOP Conference

Series: Materials Science and Engineering (Vol. 780, No. 7, p. 072014). IOP Publishing.

Seo, C. (2024, January 18). Comparison between affordable housing and luxury housing. LBS

Bina. Retrieved   November 12, 2023 from https://lbs.com.my/affordable-housing

malaysia/#:~:text=Typically%2C%20the%20prices%20of%20affordable,200%2C00

%20to%20RM%20380%2C000.

Simkus, J. (2023). Pilot Study in Research: Definition & Examples. Simply Psychology.

Retrieved   February   3,   2024   from   https://www.simplypsychology.org/pilot-

studies.html

Simplilearn. (2024, February 16). What is data analysis: A comprehensive guide.

Simplilearn.com. Retrieved February 25, 2023 from https://www.simplilearn.com/data-

analysis-methods-process-types-article

Soon, A., & Tan, C. (2019b). An analysis on housing affordability in Malaysian housing

markets and the home buyers' preference. International Journal of Housing Markets

and Analysis, 13(3), 375– 392. https://doi.org/10.1108/ijhma-01-2019-0009

Tan, T. H. (2011b). Measuring the willingness to pay for houses in a sustainable neighborhood.

The International Journal of Environmental, Cultural, Economic and Social

Sustainability, 7, 1–12.

Team, S. P., & Team, S. P. (2023, June 2). Explore the role of data processing in research.

   SurveyPoint   -.   Retrieved   February   16,   2024   from
   https://surveypoint.ai/blog/2023/06/02/explore-the-role-of-data-processing-in-
   research/#:~:text=Researchers%20can%20gain%20important%20insights,data%20tha
   t%20is%20processed%20correctly.&text=Researchers%20can%20organize%20and%
   20manipulate,study%20by%20using%20data%20processing.

Thanaraju, P., Khan, P. A. M., Juhari, N. H., Sivanathan, S., & Khair, N. M. (2019). Factors

   affecting the housing preferences of homebuyers in Kuala Lumpur. Planning Malaysia,
   17(1),   138–148.
   https://www.planningmalaysia.org/index.php/pmj/article/view/593/460

Tim. (2024, January 17). Sampling Design: Definition, Examples - Statistics How to. Statistics

   How   To.   Retrieved   on   January   29,   2024   from
   https://www.statisticshowto.com/sampling-design/

Tholibon, D. A., Nujid, M. M., Mokhtar, H., Rahim, J. A., Aziz, N. F. A., & Tarmizi, A. A. A.

   (2021). Relative Importance Index (RII) in Ranking the Factors of Employer
   Satisfaction towards Industrial Training Students. *Online Submission*, *2*(4), 493-503.

Yaacob, M. 'A., Abu Bakar, S. H., & Aziz, W.N.A. (2018). Where do young people live? a

   survey among young people in greater Kuala Lumpur. Journal of Administrative
   Science, 15(2), 118–136.https://ir.uitm.edu.my/id/eprint/42547/1/42547.pdf

Yaacob, M. A., Kadapi, I. N. M., & Hussin, N. I. (2023). *Housing preference among young

   people: A study from the perspective of university students in Malaysia*. Social and

   Management Research Journal, 20(2), 41-51.

Zyed, Z.A.S., Low, C.S. and Tedong, P.A. (2020), " Delivery mechanism on homeownership

   education among millennials in Kuala Lumpur", International Journal of Housing
   Markets   and   Analysis,   Vol.   14   No.2,   doi: 10.1108/IHMA-02-2020-
   0009gmalaysia.org/index.php/pmj/article/view/593/460

APPENDICES

Appendix A: Questionnaire Sample

Universiti Tunku Abdul Rahman
Faculty of Accountancy and Management
Bachelor of Building and Property Management (Honours)

Survey Questionnaire

Factors Affecting Housing Preference of First Home Buyers Among University Students in Klang Valley Area

Dear Sir/Madam/Mr/Ms

This research is conducted by Michelle Lee Mong Xin, undergraduate student from Universiti Tunku Abdul Rahman (UTAR) undertaking the course Bachelor of Building and Property Management (Honours). As part of my Final Year Project UKMZ3036, I am conducting research entitled "Factors Affecting Housing Preference of First Home Buyer Among University Students in Klang Valley Area". The aim of the research is to analyse the most affecting housing preference of university students for their first home.

Your perceptions will have a vast contribution to this research survey which will add significant value to the housing studies. I really appreciate it if you could spend a few minutes of your precious time answering the following questionnaire survey. Respondent's personal information and survey answers will remain confidential and used solely for academic purposes.

If you have any enquiry about your rights as a research participant or complaints, please do not hesitate to contact me through email at michellelmx@1utar.my

Survey Questionnaire

This survey consists of two (2) sections which are Section A and Section B. Please answer all the questions in both sections. Thank you.

Section A: Demographic Information

This section consists of 7 questions, choose the answer that is best describe you. The following questions are merely used to help in interpreting the received responses. As mentioned above, your responses throughout the entire questionnaire would strictly remain confidential.

1. Gender
☐ Male
☐ Female

2. Age
☐ 18 - 21 years old
☐ 22 - 25 years old
☐ 26 - 30 years old
☐ 31 - 35 years old

3. Ethnicity
☐ Chinese
☐ Malay
☐ Indian
☐ Others

4. Highest Education Level

☐ Foundation

☐ Diploma

☐ Bachelor's degree

☐ Master

☐ Ph.D.

☐ Others

5. Personal monthly income

☐ RM 1,000 or below

☐ RM 1,000 – RM 2,000

☐ RM 2,000 – RM 3,000

☐ RM 5,000 or greater

6. Housing Status:

☐ Live with parents

☐ Having own house

☐ Renting house

7. Are you owning a house?

☐ Yes

☐ No

Section B: Factors Affecting Housing Preference of First Home Buyers Among University Students in Klang Valley Area

In this section described the factors that affect housing preference when buying first home among university students, choose the answer that best described you based on the opinion.

[1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree]

No.	Descriptions	1	2	3	4	5
a)	**Financial Constraints**					
i.	Mortgage loan issue is important in affecting your housing preference when buying first home					
ii.	Down Payment issue is important in affecting your housing preference when buying first home					
iii.	Your income level is important in affecting your housing preference when buying first home					
b)	**Housing Price**					
i.	You are willing to buy affordable housing with basic facilities (price range: RM200,000- RM380,000)					
ii.	You prefer to buy luxury housing to enjoy its various facilities (price range: RM500,000 and above)					

iii.	You prefer to buy your first home with higher price to enjoy its prime location benefits (price range: RM500,000 or below)					
c)	**Housing Location**					
i.	Good proximity to workplace, schools, public transportation and other essential services is important factor when buying your first home					
ii.	You are willing to buy your first house nearby outskirts area					
iii.	You prefer buying your first home in an urban area because of the proximity close to city centre					
d)	**Housing Environment**					
i.	Social Elements are important to you in your first house environment (exp: community activities, neighbourhood events, and social diversity)					
ii.	Physical Elements are important to you in your first house environment (exp: green spaces, proximity to parks, gated and guarded)					
iii.	Emotional Elements are important to you in your first house environment (exp: sense of community, peacefulness and aesthetic appeal)					
e)	**Housing Attributes**					

i.	The size of house is important for you when buying first home					
ii.	The type of house is important for you when buying first home (exp: condominium, apartment, single storey detached house)					
iii.	The layout of house is important for you when buying first home					

Very appreciate for your participation. Your contribution is valuable to the research. Thank you.

Appendix B: SPSS output