



**COLLEGE OF BUILT ENVIRONMENT
UNIVERSITI TEKNOLOGI MARA**

**EXPLORING FINANCIAL FACTORS INFLUENCING FIRST-TIME
HOMEBUYER MAKING PURCHASING DECISION IN STATION 18, IPOH,
PERAK.**

**Academic Project Submitted in Partial Fulfillment of the Requirement
for the award of the Degree Bachelor of Estate Management (Hons)**

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ABSTRACT

The process of selecting a suitable home remains complex and challenging, despite the wide range of housing options available, including variations in size, type, location, design, cost, and materials. Purchasing a home involves a multifaceted decision-making process, requiring buyers to carefully evaluate and balance various elements to make an informed choice. The aims of this research is to explore the financial factor that influence homebuyer. This study examined financial issues that impact first-time homebuyer decisions using a qualitative methodology. Five real estate professionals such as developers, registered estate agent and real estate negotiator have participated in semi-structured interviews that offered detailed insights into important financial factors. These interviews were supplemented with secondary data from internet sources to enhance the analysis. The results showed financial factor determinants of first-time homebuyer's choices. The issue of affordability is highlighted by the fact that housing price was found to be the most important factor, followed by income level and interest rates. Commitment expenditures, affordability of loans and down payment were secondary factors with less impact. As the data used are the perspective from the real estate professional in Station 18, Ipoh, Perak. The result will not be generalized to the entire Malaysian population. The research's conclusions cannot be applied to the whole Malaysian population because they are based on the perspective of real estate professional in Station 18, Ipoh, Perak. This drawback emphasises the necessity of more extensive studies to account for various demographic and geographic situations. This study is expected to provide insight to homebuyer and investor to understand the financial factor that influence purchasing decision. This study expected to provide valuable insights for homebuyers and investors, helping them better understand the financial factors that influence purchasing decisions. The findings can serve as a guide for making informed real estate investment choices and planning for effective home ownership.

Keywords: First-time homebuyer, Purchasing Decision, Financial Factor

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CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

The research being conducted is going to look at the financial factors that influence a buyer's purchasing home in purchasing decision especially for first-time homebuyers from developer, registered estate agent or real estate negotiator perspective. Housing is the most significant assets and basic need for individuals because it will provide people shelter and in other words home is the place where individuals reside, fostering a profound sense of belonging, safety, and comfort. This notion extends beyond the tangible aspects of a living space to encompass emotional bonds, cherished memories, and significant relationships. Buying a house nowadays is very normal for us, especially buying an affordable property with middle-class costs that people can afford. According to the National Property Information Centre (NAPIC), "housing will remain the government's top priority, and all related agencies are joining efforts to ensure that houses are made more accessible and affordable for households, whether in terms of ownership or renting" This is an excellent opportunity for individuals to acquire their own property.