COLLEGE OF BUILT ENVIRONMENT
UNIVERSITI TEKNOLOGI MARA

THE VALUER PERCEPTION TOWARDS THE IMPACT OF GREEN FEATURES ON HOUSING VALUES IN PENANG

Academic Project Submitted in Partial Fulfilment of the Requirements for the award of the Degree
Bachelor of Estate Management (Hons)

NURUL HAWA BINTI ZAIDE

2023115979

SEMESTER OCTOBER 2024 - FEBRUARY 2025

ACKNOWLEDGEMENT

I am immensely grateful to Allah SWT for granting me the strength, guidance, and perseverance to complete my final-year research proposal. Despite the obstacles I faced, His blessings enabled me to navigate this journey successfully. This achievement would not have been possible without the unwavering support of my lecturers, family, and friends, whose encouragement and assistance provided me with the strength to overcome difficulties and stay focused on my goals.

I would like to express my deepest gratitude to my supervisor, Dr. Nurul Sahida Binti Fauzi, for her invaluable guidance and support throughout this project. Her insights and advice were instrumental in helping me complete my work successfully. I am also profoundly thankful to my beloved mother,

for her endless love and prayers, as well as to my siblings and extended family for their encouragement and emotional support, which motivated me to reach this milestone.

Lastly, I extend my heartfelt thanks to my friends for their continuous support and to the participants of my research for their cooperation and valuable input. This journey has been a testament to the power of perseverance and dedication. The experience of exploring new ideas, conducting thorough research, and overcoming challenges has been both enriching and rewarding, reflecting my commitment to learning and achieving academic excellence.

ABSTRACT

This research explores the perception of property valuers regarding the impact of green features on housing values in Penang Island, Malaysia. The growing emphasis on sustainable development has increased the demand for green-featured homes, yet limited knowledge exists about their influence on property valuation. Green homes incorporate energy efficiency, indoor environmental quality, and water conservation systems that reduce ecological impact and enhance living conditions. This research fills a critical gap by examining valuers' perspectives on these features' effects on housing prices. A qualitative research approach was used, with primary data collected through semi-structured interviews with experienced valuers. Thematic content analysis, conducted using NVivo software, provided a systematic framework for identifying patterns and insights. Findings indicate that valuers recognize green features as valuable enhancements to housing prices. Energy efficiency, particularly solar panels and insulation emerged as the most influential factor. Indoor environmental quality features, such as natural ventilation and sound insulation, also significantly contribute to property appeal. Water conservation systems, including rainwater harvesting, enhance long-term cost savings and attractiveness. However, high upfront costs and limited market awareness are major barriers to adoption. Buyers often perceive green technologies as luxury features, and affordability concerns further constrain demand. Valuers emphasized the need for market education to improve understanding of green features' financial benefits. The absence of standardized valuation methods for green homes also poses challenges. These insights provide valuable guidance for developers, policymakers, and estate professionals aiming to promote sustainable housing and refine valuation practices. This research contributes to a broader understanding of green features' role in real estate valuation in Malaysia.

Keywords: Green Features, Housing Values, Sustainability, Real Estate, Energy Efficiency, Indoor Environmental Quality, Water Conservation, Green Technologies,

TABLE OF CONTENT

CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

The first chapter introduces the research by providing the background, focusing on the need to research how green features affect housing values, especially in Penang Island. It discusses the importance of green housing projects in the area and their impact on property prices. The chapter explains the problem statement, highlighting the lack of understanding about the demand for green homes and their effect on property values in Penang. Additionally, it outlines the aim of this research is to explore valuers' perceptions of the impact of green features on housing values in Penang, with the objective of identifying the green features that influence housing values and examining the specific green features that have the most impact on housing values in Penang. Lastly, the chapter describes the scope, importance, and methodology of the research, showing its value for homebuyers, developers, valuers, policymakers, and researchers while acknowledging some limitations.

1.2 Research Background

Globally, climate change has become a serious concern, prompting many countries, including the United States, Germany, and Japan, to adopt green building practices to address the issue,. Malaysia is also making progress in this area with initiatives like the Green Building Index (GBI), which sets standards for sustainable construction (KL Property, 2024). Areas such as Penang Island are emerging as prominent locations for green housing, showing a growing interest in environmentally