



**THE CONSEQUENCES OF MACRO DETERMINANTS
ON RESIDENTIAL OVERHANG IN MALAYSIA**

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ABSTRACT

This study aims to investigate the issue of residential overhang of affordable homes in the Malaysian housing market. Home is a basic need for every human being. Therefore, buying a home is one of the biggest decisions in one's life. This is because every decision to buy a home requires the buyer to commit to making a payment over a longer period of time and this is very important as it prevents the buyer from regretting later. By employing survival analysis via Multiple Linear Regression Models estimated for the period covering 1994 to 2018, our findings suggest that higher inflation rate and lower house price volatility may reduce the likelihood for home loans exclusion and thus allow banks to allocate higher loan disbursements. Understanding the determinants of financial exclusion is, therefore, a pertinent issue to be addressed for potential buyers to be aware of in order to increase the probability of access to financial services. This study beneficial to the developer because of developer can identify factors that make the property unsold to the public. To the financial institutions, they can find the strategies that can take now and in future to reduce risk of property unsold and non performance loan. For the property investor, they will be more careful and do analysis before making a decision to buy a property unsold. For the policy maker, the findings of the study will shed some light on the policy towards promoting affordable homeownership in achieving sustainable development goals.