

**UNIVERSITI TEKNOLOGI MARA**

**AFFORDABLE HOUSING  
MISMATCH MODEL IN AN URBAN  
AREA**

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## **ABSTRACT**

Housing mismatch becomes an essential issue in urban areas; it causes inequality of housing supply and demand in the property market. Most of the component established that occurs to housing mismatch have already formed and most of the time, they are touched on the surface only. Therefore, the relevant housing mismatches attributed needs to be explored by identifying the possible factor and solution to current issues on affordable housing mismatch in Malaysia. This research aims to determine the relevant component and significant attribute in housing market in order to derive the framework of affordable housing mismatch assessment model. Through literature review, four main components: product factors, spatial geographical location, regulation and other unanimous issues has been explored in measuring the gaps between demand and supply. This component has been expanded with a few attributes which 31 attributes are represented by housing supply and 25 attributes are represented by housing demand. Research data has been collected through site observation and questionnaires distributed to the public and developer as referring to demand and supplier side at Wangsa Maju. The Delphi Technique has been applied in order to establish relevant components and potential attribute for housing demand and housing supply. Data from the primary survey has been run with a descriptive analysis which derived the mean score of attribute and cross tabulation for a few categories of respondent profile. All the variables that recorded good average values have been applied with factor analysis for the purpose of recognizing their pattern and grouping. Next, the attributes formed in the particular group were conducted in a significant and correlation analysis over the current housing market. The result found that all variables recorded significance relationship values with housing profiles. From the result, the selection of highest relationship factors is used for development of housing mismatch models using PLS-SEM. The final output showed a measurement model of housing mismatch that indicated significant result through CR and AVE score in housing market and significant relationship of structural model after validation by expert panels through interview has indicated with seven attributes from housing demand and eleven attributes from housing supply to measure affordable housing mismatch. On this basis, affordable housing mismatch model in Wangsa Maju has been established.

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# **CHAPTER ONE**

## **BACKGROUND OF THE RESEARCH**

### **1.1 Introduction**

This chapter describes the summary of the research. This comprises sections such as Introduction, Research Background, Problem Statement, Aim, Research Objectives and Research Questions, Scope of Research, Significance of Study, Organization of thesis, and Research Matrix.

### **1.2 Research Background**

As Malaysia is heading towards a developed nation by 2050, housing has become a serious matter with the people in the country. Property price and speculation have tremendously stung throughout the years after the Asian crisis. More people are looking homes for homeownership, rather than renting for living (Warnock & Warnock, 2008). Because of that, the development of affordable houses to cater demand of certain group of people are practically being done by regulators in Malaysia (Bilal, Meera and Razak, 2019). Moreover, housing development is critical to the country, not only in Malaysia, but it also includes all over the world; one third of the world's urban population, are living in slums (UN-Habitat, 2005) and its support by Ritchie and Roser (2019). At a basic level, the regulators of the country also can integrate on job creation, neighbourhoods' qualities and workplaces for home-based entrepreneur. The best housing sectors should enable to adequate these qualities for all the population.

Although the reason for the change in thinking on housing issues are not identical, the results have been broad are likely similar; imbalance factors of housing supply to meet demand or vice versa. Every day, one can read articles or news about the issues associated with inadequate of demand and supply in housing development. Some issues write about the constant increase in property value (Oikarinen, 2009; Huang, 2014; Ying Yi, 2022), others describe various issues on the instability of a housing market (Hui, 2010; Stundziene et al., 2022). Some call this price an increase of a bubble or others while some of them trying to argue and explain on price variation (Gapor, Malik,