



**Faculty of Administrative Science
& Policy Studies
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**Title of Final Year Project
A STUDY ON THE FACTOR INFLUENCING THE
HOUSING PRICE IN KUCHING AREA**

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter is covered into a number of parts. It begins with the background of study. In background of study we discuss in general the problem occurred related to housing. Next section is focusing on the problem statement. The problem such as urbanization, limited supply of house that cause the increasing of housing price. The research question and research objectives also includes in this chapter. Other than that, we will discuss about the scope of study and significant of study as well. Definition of terms and chapter summary will be the last subtopic in this chapter.

1.2 Background of study

House is essential for human as it provide shelter and privacy to the house owner. The business dictionary stated that housing is a building or structures that individuals and their family may live in that meet certain federal regulations. According to Maslow's Theory Hierarchy of Needs, he stated that house is the important for human as it falls into safety needs (Maslow, 1943). A house offers basic protection from physical discomfort or harm and also provides a warm and rest environment that will fulfill this level of Maslow's Hierarchy of Needs.

However, there are some problems occur regarding to the house issues such as shortage, rising price of the house, buyer's affordability and many more. Since the issues have not been solved, we are aiming to conduct an academic research to study and analyze problems that people encounter regarding the housing issues. The scope of our research is specifically in Kuching, Sarawak. In addition, the reason why we conduct this research is to gain new insight regarding this issue.

In Malaysia, demand for housing has increased significantly from year to year throughout entire nations. Since 2005, Malaysia's housing stock has increased by 35% (Bank Negara Malaysia, 2015). This show the demand for housing is increase rapidly. However the housing supply did not match the demand of housing. The supply of housing is not sufficient enough and this will cause some problem to low income level as they are not able to own a house. The migration of worker from small town to big city also has increased the demand

CHAPTER 2

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction

In this chapter, we will discuss about literature review and conceptual framework regarding our topic discussion. Next, we want to identify the relationship between our listed independent variable (demographic, location, industry, government policy, demand, and economy) that we want to study with the effect of it toward the housing price. Furthermore, in order to identify the relevant of our study towards today current condition we reviewed the previous researcher' studies that are related with the factors affecting the increase of housing price.

2.2 Factors that Influence the Increasing of Housing Price

2.2.1 Industry cost

Industry factors is the one of the factors that contributing to the increase of housing price. The industry factor here is whereby the price of raw materials uses for construction, the salary for professional and labor workers. Haron (2005) expressed construction cost must take into account all time dependent and quality dependent component which includes, all cost on labor, materials, investment and general expenses, transportation, and overhead per control floor area measure. The developers will hire professional workers with high educational level such as engineers, architect and land survey for help them plan and construct the project smoothly. Salary of professional workers is really expensive because they possess technical skill and knowledge for construction. Construction involving a lot of professional workers with a high level of education, such as engineering, compared with workers who are less educated, will cause the housing price to increase because the cost of building a unit increases (Tze San Ong, 2013). Hence, cost is directly added to the housing price.

Other than that, the construction materials and machinery also lead to high housing construction cost. Construction materials commonly refer to raw materials, component parts and packaging products, consumable, packing and packaging and equipment (Smith, 2012). The price of raw materials such as steel, cement, sand and brick often goes up as the economy growth. This is the key problem for developer to maintain the cost of construction as the price fluctuates overtime. For example, President of Penang Master Builders and

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter emphasize on the research methodology use in to conduct the study including the research design, unit of analysis, sample size, sampling technique and measurement, data collection and data analysis.

3.2 Research design

The study is a cross-sectional design by using quantitative method in order to achieve the various research objectives and to form our finding. The reason cross-sectional survey is used because the data collection will be collected at particular time to answer the entire research objective (Sekaran & Bougie, 2009). Furthermore, quantitative method is more convenience as we will be using the primary data from survey conducted that include the house buyer within Kuching Area.

3.3 Unit of analysis

Unit of analysis refers to the level of aggregation that is the focus of the study as emphasized by Sekaran and Bougie (2009). This research was conducted to study the factors that contribute to increase of housing price. We focus on the housing price in Kuching area because it keeps increase from time to time. Therefore, by conducting this research and collecting data will give us better understanding of changing housing price in Kuching area. In this study, we targeted individual who recently brought a house in order to get the data needed for findings.

3.4 Sampling Method

The study will be using both probability and non-probability sampling, in which convenience sampling technique is to be applied whereby the sample will is the people who are our main target and conveniently available to participate in this study because of the large geographic area of Kuching and a large sample size so that the data collection process will be easier.

3.5 Sample size

Sample size measures the number of individual samples measured or observations used in a survey. In this study, the sample is the house buyer within the Kuching area, Sarawak with a