



**PROGRAMME OF STUDIES ESTATE MANAGEMENT
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THE FACTORS INFLUENCE BUYER IN CHOOSING HOUSING LOAN

**An academic report submitted in Partial Fulfillment of the Requirement for the
award of Degree
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ABSTRACT

The emphasis of this study is the characteristics of housing loans or home financing and the chosen housing loan or home financing in Kuantan, Pahang. The research objectives are to identify the characteristics of housing loan or home financing in conventional or Islamic chosen by borrowers in Kuantan, Pahang and to determine the factors influence the borrower to choose the housing loan. Therefore, the aim is to identify factors that influence the borrowers' choices of housing loan based on characteristics of the housing loan and home financing. The respondents are adults over 20 years old who live or work in Kuantan and have gone through a housing loan or home financing process. The study approach involves distributing out a survey questionnaire to Kuantan's qualified respondents both in person and online. Descriptive analysis methods are used to examine the gathered data which is by using mod for Part B and mean for Part C. The first objective is derived from Part B of the questionnaire. Meanwhile, the second objectives is concluded from the Part C of the questionnaire. From the analysis, the researcher found out that the loan repayment period for both conventional housing loan and Islamic housing loan is between 26-30 years. However, conventional housing loan approved the financing margin at 100% while Islamic home financing approve the margin at 80%, 90% and 95%. The amount of housing loan approved for both conventional housing loan and Islamic home financing is between RM 200,001 – RM 250,000. Lastly, both conventional housing loan and Islamic home financing require guarantor to apply for the loan. On the other hand, fair terms and conditions, terms and conditions is well explained, and nonburdensome monthly payback amounts are the top three factors that influence the borrowers in choosing housing loan. The characteristics of conventional housing loans and Islamic house finance selected by borrowers in Kuantan, Pahang, were effectively researched, according to the research findings, it can be said. The information gathered is sufficient to fulfil the minimum number of replies needed, and it offers important insights into the preferences and decision-making processes of borrowers.

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

The purpose of this study is to look at the link between the characteristics of conventional housing loan and Islamic home financing banks in Kuantan, Pahang. This research concluded the chosen housing loan by the respondents and the characteristics of it. This study focused on four main characteristics of a housing loan which are interest rate, terms and condition, loan period and monthly repayment amount. The characteristics are believed to be part of the reason in choosing a housing loan. Apart from that, this study is done in Kuantan. This is because Kuantan is a city that can be considered at the level between urban and suburban. It is not too exposed with major development but is also not under-develop.

Kuantan is also a city that become an attraction to the people nearby. People from Terengganu and another part of Pahang usually move to Kuantan for a better work opportunity. Kuantan is also a good place to consider for a long-term living, unlike another city which are very packed with buildings, pollutions and traffic jam. Hence, Kuantan is suitable to be a case study since it is a city where people can find a work-life balance life. Besides working, they can enjoy their life without traffic jam but also with the facilities and amenities just like the other capital city. Not to be forgotten, respondent for this study were be anyone who live or work in Kuantan and above 20 years old. However, since the study is regarding the housing loan or home financing, the respondents are obligated to experience the housing loan or home financing themselves.

This chapter includes the following sections: research background, problem statement, research objectives, research significance and chapter structure.