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PUBLIC PREFERENCES TOWARDS OWNERSHIP AND RENTING

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

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ABSTRACT

Almost everyone holds the hope that they will one day be able to own their own house. Both purchasing a home and renting one have their share of difficulties for a variety of different reasons. Over the course of the previous few decades, rents have climbed across the majority of the country, making it more difficult for young people to save money. In order to make things easier for first-time homebuyers, especially younger individuals, the complicated mortgage conditions that the bank requires should be reevaluated. In addition, it may be difficult to come up with a significant down payment for a home purchase in a timely manner. One of the most significant differences between renting and owning a home is the ability to personalize one's living space. The general public is the focus of the research that was conducted in Klang, which is located in the state of Selangor in Malaysia. In total, 384 participants contributed to the study. The purpose of this research is to identify the public's preferences in decision-making to own or rent a house and then to rank the most preferences in decision-making to own or rent a house. This research employs a quantitative methodology, which comprises the use of Google Forms to collect data via questionnaires in the form of responses from participants. Surveys have shown that inhabitants of Klang prefer to own their own homes compare to rent a house. When it comes to determining whether to own or rent a house, the findings indicate that financial factors are the most significant factor to take into account. Residents of Klang will give the financial considerations the utmost importance when making a decision regarding whether to own or rent a house. According to the findings of this study, real estate developers should do market research to determine which aspects of a property are most important to potential buyers or renters before beginning work on a new housing development.

Keywords: *House, Ownership, Owning, Preferences, Renting.*

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CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

This simple concept of a house has gotten wider as it assumes a social status symbol and an economic property value while providing the multiple interconnected roles of safety, neighbourhood, social connections, community amenities and services, privacy and proximity to employment. According to Faraziera et al. (2019), Cheah and Stefanie said dreams of home ownership have been passed down through the generations, resulting in a direct or indirect demand on the housing market. Between RM300, 000 and RM500, 000, there is a wide range of definitions of what constitutes affordable housing. While this earlier statement is true, according to Faraziera et al. (2019), *Bank Negara Malaysia* (BNM) state that the median Malaysian household cannot afford a home in the price range of RM300,000 to RM500,000. Housing Cost Burden (HCB) is an international standard that estimates the maximum price of affordable housing at just RM282,000 (Faraziera et al., 2019).

For most people, owning a home is a source of social pride. People of all creeds, races, and religions desire to have their own home in the long run particularly by the time they retire. The desire for home ownership comes from the significant benefits that owning a home confers to the owners. Home ownership eliminates the financial burden of paying rent (Ronald & Lennartz, 2019). Rent is not only expensive over the course of time, but it also comes with the unpredictability of potential increases in rent as well as the risk of being evicted. Home ownership is also a source of wealth since land tends to appreciate over time (Ronald & Lennartz, 2019).