



**CENTRE OF STUDIES FOR ESTATE MANAGEMENT
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**FACTORS CONTRIBUTING TO RESIDENTIAL
OVERHANG IN JOHOR BAHRU**

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

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ABSTRACT

Property overhang is one of the well-known property issues in Malaysia. Johor Bahru is one of the states that contribute the highest property overhang in Malaysia and it follow by Penang and Selangor. Thus, this study being carried out at Johor Bahru, Johor. Based on the literature review that has been made from previous studies, there are few factors that contribute to residential overhang such as price, location, housing loan, building, feasibility study, public facilities and amenities and income level. The objective of this research is to determine the factors contributing to residential overhang and to examine the most important factors contributing to residential overhang in Johor Bahru. Then, the research technique that has been used is quantitative method and the data was collected using judgmental sampling. In this study, the online questionnaire has been distributed to those who work in real estate industry in Johor Bahru such as in valuation, estate agency and housing development which the respondent familiar with residential overhang issue. The questionnaire was answered by 67 respondents. Furthermore, the research data has been analyzed using SPSS Software and Relative Importance Index (RII) as to gain the findings. The findings shows that income level factor, housing loan factor and feasibility study factor ranked as the top 3 highest factor that contributing to residential overhang in Johor Bahru. By identifying the factors contributing to residential overhang in Johor Bahru, housing developer, government and future researcher can take into consideration for future improvement and reference.

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CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

Residential overhang is a long-term issue that Malaysia has battling, this is not a good sign towards the property market because it will lead to many implications. As an example, residential overhang issue can create the imbalance of property market due to the mismatch between the supply and demand of the residential property which the supply is higher than a demand. It can affect the performance of property sector in Malaysia. Other than that, property overhang is being used as a tracker to figure out the health of a residential property market along with other indicators such as House Price Index (HPI) and sales performance. It also known as a term that being used to show a gap between supply and demand in property market where the supply is higher than a demand of a property.

Furthermore, National Property Information Centre (NAPIC) define 'overhang' as a property completed has been issued with a Certificate of Fitness for Occupation (CFO/CCC) or Temporary Fitness Certificate for Occupation but the property still unsold even though it has been marketed for at least nine months. Hence, property overhang issue has been a concern and there are many reports on overhang of residential property, especially strata residential which likely to be seen in the news recently. There is few research being carry out as to figure out the factors affecting property overhang issues on landed residential at Selangor. Then, the study finding shows that main factors contribute to property overhang in that area are causes from few categories such as environmental, economic and psychological aspects (Chia *et al.*, 2019).