



**COLLEGE OF BUILT ENVIRONMENT
UNIVERSITI TEKNOLOGI MARA**

**FACTORS AFFECTING HOMEOWNERSHIP
AMONG MIDDLE-INCOME EARNERS (M40)**

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

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SEMESTER MARCH - AUGUST 2023**

ABSTRACT

The issue of homeownership among the middle-income earners in urban areas has garnered significant attention in Malaysia. The government has introduced several policies and strategies aimed at increasing homeownership rates among Malaysians. However, this problem remains unresolved to this day. Furthermore, there are numerous factors that influence homeownership, including income, location, and accessibility. This research focuses on examining the factors that affect homeownership among middle-income earners in Klang, Selangor. The aim is to identify the most influential factors in their decision to own a home. A quantitative approach was employed, and a survey was conducted using Google Forms to collect data from the middle-income earner group in Klang. The findings of this research indicate that the primary factor influencing middle-income households to own a house is the high price of houses. This is followed by household expenditure, household income, type of occupation, housing loan availability, the number of working adults in a household, education level, age, difficulty in obtaining housing loans, and mortgage considerations, which ranked at the bottom. In conclusion, this research raises awareness about the factors affecting homeownership among middle-income earners. It is strongly recommended that the government and stakeholders comprehensively address these issues and mitigate their consequences by prioritizing the provision of affordable and liveable homes that meet people's needs.

Keywords – Homeownership • Middle Income • Households • Klang

ACKNOWLEDGEMENT

I am sincerely grateful and appreciate those who have contributed to the completion of their final year project. The supervisor, Miss Nurulani Binti Ahmad@Mohamed, is acknowledged for her guidance, expertise, and unwavering support, which greatly influenced the project's direction and quality. Her valuable insights, constructive feedback, and continuous encouragement played an essential role in the project's development.

I am deeply grateful to Dr Asmma' binti Che Kasim and Dr. Nor Nazihah Binti Chuweni who has always been helpful in coordinating this subject enriched my understanding and helped me overcome challenges during the course of this project. My heartfelt appreciation goes to my family most importantly mama, and ayah . Moreover, to my friends for their unwavering support, encouragement, and understanding throughout this journey.

Lastly, I would like to acknowledge the participants and individuals who took part in the research or provided their valuable insights and time for answering my surveys. Their contribution was invaluable in gathering the necessary data and achieving the objectives of this project. Thank you all once again for being an integral part of this journey and for your unwavering support. Your contributions will always be remembered and cherished.

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CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

Homeownership has changed over time because it is now recognised as a crucial element in ensuring basic human rights in society, rather than just serving to satisfy basic human necessities (Khoo & Woo, 2020). The homeownership issue is a universal concern throughout emerging countries as well as developed countries. It is described as a form of housing tenure in which a person (or a group of persons) owns housing property such as a flat or house either by purchase or by self-build with associated bundles of rights of ownership. Homeownership problems are a big issue in established nations like Japan and Australia as well as developing nations like Malaysia and India.

Malaysia has a homeownership rate of approximately 70%, but this also takes into account informal housing. Romania, with a 96% homeownership rate, has the highest homeownership rate in the world. With a homeownership percentage of 91%, neighbouring Singapore, a generally stable and wealthy nation, comes in second. a rate that is higher than in any other prosperous country. Nonetheless, among the most developed nations in the world, the United Kingdom, Germany, and Switzerland, had homeownership rates of 62%, 51%, and 38%, respectively (2022). There are numerous obstacles that people must overcome when it comes to property ownership, not just for low-income groups but also for groups of middle-income earners. Many determinant factors influence homeownership intention for middle-income earners, especially those who live in urban areas.