



**COLLEGE OF BUILT ENVIRONMENT
UNIVERSITI TEKNOLOGI MARA**

**EXPLORING CRIME FACTORS THAT
INFLUENCE RESIDENTIAL PROPERTY DEMAND
IN IPOH, PERAK**

**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

Despite rapid urbanization and population growth, Ipoh faces problems such as rising crime rates that potentially impact its property market dynamics. This academic project research investigates the crime factors that influence residential property demand in Ipoh, Perak, with an emphasis on understanding the interplay between crime and buyer behavior as seen by real estate professionals. Objectives of this research are to explore the crime factors that influence residential property demand and to identify the crime factor that is the most influential towards residential property demand in Ipoh, Perak. Seven crime factors have been identified from the literature search. The researcher adopted qualitative approach in which six real estate professionals situated in Ipoh, Perak had been interviewed by using the non-probability sampling method to achieve the objective of this research. The respondents includes valuers, real estate agent, real estate negotiators, and developers. The findings reveal that perception of safety is the most critical crime factor influencing buyer decisions, highlighting the dominance of psychological responses over actual crime statistics. Neighbourhood reputation also emerged as a significant factor, emphasizing the lasting impact of societal impressions on property demand. The research underscores the importance of addressing both objective and subjective factors to restore buyer confidence and enhance marketability.

Keywords: Crime Factors, Residential Property Demand, Real Estate Professionals, Perceived safety, Neighbourhood Reputation

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CHAPTER 1

RESEARCH BACKGROUND

1.1 Introduction

Historically, one of the biggest issues faced by metropolitan regions has been crime (Pope & Pope, 2012). Any act or behaviour that goes against established laws or regulations of a specific jurisdiction is referred as a crime. It involves behaviours that are deemed harmful, illegal, and penalised by the law. From insignificant offences like minor theft or vandalism to more serious ones like assault, robbery, or murder. Crimes can take many different forms. Residents, the real estate sector, and political decision-makers are concerned about crime because it is a neighbourhood nuisance that has significant costs. The dread of being a victim may have a substantial impact on residents' or potential residents' quality of life (De Graaff & Zietz, 2020).

According to McIlhatton (2016), Crime is an externality that is thought to negatively affect many different activities and industries, including the real estate demand. Although increased intricacy is evident and the impact's degree varies, it is expected that crime has a negative impact on residential property. Policymakers place a high priority on reducing crime, as shown by the significant portion of government spending devoted to public safety. Crime reduction is a key focus for policymakers as shown by the significant portion of government budgets directed toward public safety. Brenig and Proeger (2016) note that European Union countries spent an average of 3.2% of their Gross Domestic Product on public order, safety and defense in 2013, making up 6.6% of their total expenditures. In comparison, the Malaysian government allocated 8.5% of its total spending to safety and security in 2018.