



**COLLEGE OF BUILT ENVIRONMENT
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**THE INCREMENTAL OF RESIDENTIAL COST AND THE IMPACT OF
HOMEBUYER PREFERENCES IN SETAPAK, KUALA LUMPUR**

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

The house price in Malaysia is expected to continue to rise due to several factors that are been examined throughout the studies. The escalating price of house have constraint the ability of the potential homebuyer to own a residential. However, homebuyers not only constrained by the affordability for homeownership, but they also have the issue to select the appropriate choice of house preference to suit with their needs. Through this studies, two categories of factors were investigated which are the factors influencing the increase in house price and the elements affecting the housing preferences among the homebuyers. The chosen target respondent for this research are homebuyers and the research was held in Setapak, Kuala Lumpur. There are two methods used for data collection which are primary data using questionnaire survey and secondary data from literature review. Based on the literature review, there are six major factors that have been identified that influence the increase in house price as well as affecting the housing preferences which are financial, economic condition, location, neighbourhood, house type and design and house quality and construction technology. There are 150 of respondents were collected during the survey. The data then analysed using the statistical software (SPSS) through descriptive analysis to determine the frequency and mean value. Through the finding, majority respondents were agreed that all the factors stated contributes to the increase in residential costs and housing preferences. For the increase in residential cost, factor location was ranked highest and for the housing preferences financial and location were ranked highest. This finding has very important implications for the homebuyers in helping them on the decision-making process as well as to government for implementing the policies to reduce the house price and constructing the right house suit with the needs of homebuyers.

Keywords: *factors influencing, housing price, housing preferences, elements affecting, homebuyer*

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter begins with the review of the research study started with the background information of the overall topic. The main issue that the study attempts to solved also described in this chapter incorporating the objectives, goals and research questions that will direct to the study. Significance and limitation of the study also emphasized and finally the summary of the overall workplan structure is presented in the research flowchart for the clear planning and understanding.

1.2 Research Background

House is categorized as a shelter for human. It is a place that we need to protect from natural hazards like thunderstorms, lightning, flash floods and many more. It also provides safety, security and protection from the weather such example the natural disaster or extreme heat. A house is a basic facility that becomes a main indicator in assessing the level of ability and quality of life for the human population (Malek N.M et al., 2017). There are people who dream for a luxury house that has an attractive design, use high quality materials and spacious in size but on the other hand there are people who just want to own a house because it is one of their needs and if it can provide protection and a place to rest. Buying or renting a house depends on