

THE DETERMINANT FACTORS AND HOMEOWNERSHIP INTENTION AMONG YOUNG PEOPLE IN PETALING JAYA, SELANGOR

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1. INTRODUCTION

When it comes to owning a property, there are many challenges that an individual undergoes, not only to fresh graduates but to some of them who already have a family but are unable to own a home. The National Housing Policy (NHP) was introduced to ensure access to adequate and affordable shelter and related facilities for all Malaysians, especially low-income groups. Some of the programs are the affordable housing scheme for civil servants (PPAM), 1 Malaysia People Housing Programme (PR1MA), People Housing Program (PPR), and Private Affordable Housing Scheme (MyHome). Many determinant factors influence homeownership intention for young people, especially for those who live in urban areas. However, this research mainly focuses on the four elements: cost of living, housing prices, location, and role of financial institutions. Some of the past studies related to the determinants factor are that Malaysia is now facing a rising cost of living when the United Nations (UN) expert reports that the poverty rate in the world is massively underreported (Azril Annuar, 2019). The average house price in Malaysia has increased from RM 426,417 in 2019 to RM 427,882 in 2020 (National Property Information Center, 2020). Bank Negara Malaysia (BNM) found that specific terms and conditions in housing loans and finance contracts are unfairly biased in favour of banking institutions (Shankar, 2019). Monica (2018), in her study, revealed that location is one of the variables observed by individuals when considering a place to live. Based on the discussion, the study investigates the determinant factors that influence homeownership intention among young people in Malaysia, focusing on young people in Petaling Jaya.

2. METHODOLOGY

In this study, the researcher employs a quantitative method to collect data among young people living in Petaling Jaya, Selangor, based on inclusive criteria. The total population in Selangor is 6, 546.3 million people in 2020 (DOSM, 2020). Selangor consists of 9 districts namely Klang, Kuala Langat, Kuala Selangor, Ulu Langat, Ulu Selangor, Sabak Bernam, Petaling, Gombak and Sepang. The researcher decided to conduct the study in Petaling Jaya due to the high population in this area. Petaling Jaya has a population of over 619,925 people (DOSM, 2019). Based on the sample size table from Krejcie and Morgan (1970), the sample size chosen was 384. This study employs a multi-stage sampling technique. First, PJ was selected using the Cluster sampling techniques. Next, to obtain the respondents, this study uses convenience sampling based on the target population. The researcher used an online questionnaire to get the targeted respondents due to the limitation during the Movement Control

Order due to the Covid-19 virus pandemic. To know whether the factors influence the homeownership intention of young people, the researcher uses the Chi-square tab to test both variables employed to answer the study's objective.

3. RESULTS AND DISCUSSION

Table 3 summarises the result for the research objective where the researcher would like to examine whether the determinant factors influence the homeownership intention among young people. There are four determinant factors: cost of living, housing price, institution role, and location. The researcher used the Chi-Square Test to obtain this result. If the p-value is less than or equal to the significance level ($\alpha=5$), the null hypothesis H_0 is rejected as there is a significant relationship between the variables. However, if the p-value is greater than the significance level, the null hypothesis H_0 is accepted since there is insufficient evidence to establish that the variables are related. All the results concluded that the findings reject H_0 and accept H_1 .

Table 3: Chi-Square Analysis

Cost of living	Chi-Square Statistics	31.448
	p-Value	0.003
	N of Valid Cases	384
Housing price	Chi-Square Statistics	31.698
	p-Value	0.004
	N of Valid Cases	384
Role of financial institution	Chi-Square Statistics	32.654
	p-Value	0.008
	N of Valid Cases	384
Location	Chi-Square Statistics	30.654
	p-Value	0.002
	N of Valid Cases	384

Overall, there is a significant relationship between all the determinant factors and homeownership intention. The respondents agreed that the cost of living is high, and the minimum wages in Malaysia are low. A study from Saizal Pinjaman (2020) showed Malaysia's income, measured by gross domestic product per capita, has been significantly more volatile over time, with a declining trend beginning in 2010. Since the cost of living is related to an individual's salary, the government should consider increasing the minimum wages, especially for those living in urban areas.

Next is housing price. House price plays a vital role in deciding to own a home. Any changes in the housing price could influence the homeownership intention among individuals. Gaik-Fhei Ho (2018) argued that the financial component includes the house price, mortgage interest rates, and mortgage installment scheme, which are the essential factors in the property buyer's decision. To control the housing price, the government should set up the price range of certain houses for the developers to ensure the price is affordable for the young people.

Also, the role of financial institutions and the high interest rate in Malaysia have led to the declination of the individual to obtain the loan. A similar study from Nur Sabrina Abdul Latif (2019) revealed that if interest rates rise, the mortgage cost will increase, forcing

consumers to rent rather than purchase the house for the time being. The government may need to reconsider lowering the interest rate to encourage young people to apply for housing loans in their pursuit of owning a home. Finally, location is also found to be a determinant factor towards the intention to own a home. Gaik-Fhei Ho (2018) in his study explained one of the most important factors to consider when buying or investing in a home is the distance from the house to the workplace and amenities. As for young people, especially those who just started working, they tend to find a place where it is convenient to their workplace. Since the young people primarily operate in urban areas and strategic locations, the developers may need to consider building properties that suit the young people's conditions.

4. CONCLUSION

Homeownership has become the dream of every individual, especially the young people who pursue owning a home. The intention to own a home has developed in an individual during the adult stage, but some develop the choice during the young ages. This study focuses on the factor influencing homeownership intention among young people in Petaling Jaya. The Malaysian government has initiated many programs to help individuals own homes, such as Rent-to-own Schemes, PR1MA houses, and many more. Despite the available programs, many of the young still could not afford a home. Many factors become the determinant of their intention, as discussed above. Perhaps, the government and housing providers should work together to design a more comprehensive housing program that facilitates the young people's transition to homeownership.

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