



DETERMINANTS OF HOUSE AFFORDABILITY
IN KOTA KINABALU

AZLAN MOHD HANIF
2011730365

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS KOTA KINABALU
SABAH

DECEMBER 2014

ACKNOWLEDGEMENT

I would like to express my high gratitude to Allah S.W.T who gave me physical strength from the beginning until the end of the project paper done as well as to everybody and parties that helped and guided me until I managed to finish this project paper.

First of all, I would like to express my appreciation and acknowledgement to my advisor, Sir Shamlie Salisi who has given fully support and guidance to me. He shared all his knowledge and shared opinions with me as well as sacrificed his time to give some consultation. Without him, my project paper would not be completed.

I also want to thank to my parents who never stop gave me their encouragement and full support in order to complete my project paper. Thank you for your prayers and gave some brilliant ideas for me to add some additional information in this project paper.

Lastly, I would like to thank to those respondents who answered my questionnaires. Thank you for spending time to answer my questionnaires. Without your help, I would not manage to collect and run the data. Thank you once again.

TABLE OF CONTENTS

	PAGE
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v - vii
LIST OF FIGURES	viii
LIST OF TABLES	ix - x
ABSTRACT	xi
CHAPTER 1 INTRODUCTION	
1.1 Overview of house affordability in Malaysia	1
1.2 Problem Statement	4
1.3 Research Objectives	5
1.4 Research Questions	5
1.5 Scope & Limitations of Study	6
1.6 Significance of Study	6
1.7 Organisation of Study	7
CHAPTER 2 LITERATURE REVIEW	
2.1 Introduction	8
2.2 Literature Review	
2.2.1 Concept of house affordability	8 - 9

2.2.2	Concept of income with house affordability	10 - 11
2.2.3	Concept of house price with house affordability	12 - 13
2.2.4	Concept of house loan with house affordability	14
2.3	Conceptual Framework	15
2.4	Research Hypotheses	16

CHAPTER 3 RESEARCH DESIGN & METHODOLOGY

3.1	Research Design	17
3.2	Data Collection Method	18
3.3	Sampling Design	
3.3.1	Sampling Frame & Location	18
3.3.2	Sampling Elements	18
3.3.3	Sampling Technique	19
3.3.4	Sampling Size	19
3.4	Research Instrument	19
3.5	Constructs Instrument	20
3.5.1	Demographic Variables	20
3.5.2	Dependent & Independent Variables	20
3.6	Data Analysis	21

ABSTRACT

This study is focused on to determine the determinants of house affordability in Kota Kinabalu, Sabah whether income, house price and housing loan are related to the house affordability. This empirical study focuses on 228 respondents who are working in several sectors. Using the survey approach, the findings showed that housing loan has a significant relationship with house affordability in Kota Kinabalu. The findings of this paper will provide important and additional information for the financial institutions to loosening the housing loan requirements for the applicants in order to people can own a house especially the first home buyers.