

UNIVERSITI TEKNOLOGI MARA

**THE IMPACT OF PARK ON RESIDENTIAL
PROPERTY VALUES
CASE STUDY:
BUKIT JELUTONG RESIDENTIAL AREA**

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ABSTRACT

Parks and landscapes have now become a prominent feature in the planning of residential areas. The preservation of parks and other open spaces are now considered vital to attract house buyers. It is widely known that parks provide tremendous benefits to mankind and the surrounding environment. However when it comes to the property industry, parks are not given sufficient emphasis in residential development projects, let alone in its role in increasing the value of the residential properties. Thus, this study attempts to establish the park-related factors that impact the property values of houses located in the same neighbourhood. The study is designed to achieve three main objectives which are to investigate park and non-park related factors that affect value of houses, to analyze park and non-park related factors from the house buyers' perspectives and to analyze the impacts of park related factors on value of houses. This research employs a multi-method approach which includes conducting interviews with the developer, utilising the application of a Geographic Information Systems (GIS) technique, distributing questionnaires to the 448 house buyers and optimising the usage of the Multiple Regression Hedonic Pricing Model. The survey results revealed that the five most important park related factors to house buyers are good park elements, conceptual or design of park, nearness to park, existence of view to the park and active area of park facing house. The findings also depict that for non-park related factors, locational topography and built-up area were also identified as being important criteria in the purchase of houses. For elements of park, shade trees, lightings and butterflies are highly preferred by house buyers. The Multiple Regression Hedonic Pricing Model revealed that the most influential factors on the value of house and significant variables are nearness to park, existence of view to the park, active area of park facing house and the existence of view to open space. The overall results depict that the five most important park related factors from the survey result are not parallel to the identified variables ranked in the Multiple Regression Hedonic Pricing Model thus displaying minimal differences.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The Property Market Report of Quarter Two 2009, Ministry of Finance (2009) reports that the demand for residential properties has been increasing and continues to be a prime property market mover. This situation has influenced most developers in Malaysia to respond in a very positive manner resulting in houses being built in a variety of sizes, designs, concepts and styles in order to cater to the demands of current house buyers. Developers are providing greater options with a multiplicity of choices to enable more house-owners to invest in a new property. These developers believe that house ownership represents the largest single investment item or is an asset of a lifetime among property buyers.

In the current local scenario, home buyers today differ from those in the 1990's and 1980's, or even in the 1970's. In line with this, developers today have to continue to look for strategic locations with different lifestyle concepts with emphasis on park and landscaping, new housing designs, safety features and infrastructure. The fact that a housing area is gated also affects house buying decisions (Lee, 2008).

Following this, the planning of residential areas, parks and green spaces has now become prominent and is recognized as an important feature. People are more aware of the benefits of parks in achieving comfort and quality of life. Studies on the importance of preserving parks and other open space lands by Lo et al. (2003) found that people in compact cities show a preference for natural environment and comfort in the design of urban open spaces including parks. The research strongly supports that urban design should strike a balance between natural and man-made environments. It clearly shows that people who live and work in high density areas