

# Trends, Problems and Needs of Urban Housing in Malaysia

Salfarina, A.G., Nor Malina M., Azrina, H.

**Abstract**—The right to housing is a basic need while good quality and affordable housing is a reflection of a high quality of life. However, housing remains a major problem for most, especially for the bottom billions. Satisfaction on housing and neighbourhood conditions are one of the important indicators that reflect quality of life. These indicators are also important in the process of evaluating housing policy with the objective to increase the quality of housing and neighbourhood. The research method is purely based on a quantitative method, using a survey. The findings show that housing purchasing trend in urban Malaysia is determined by demographic profiles, mainly by education level, age, gender and income. The period of housing ownership also influenced the socio-cultural interactions and satisfaction of house owners with their neighbourhoods. The findings also show that the main concerns for house buyers in urban areas are price and location of the house. Respondents feel that houses in urban Malaysia is too expensive and beyond their affordability. Location of houses and distance from work place are also regarded as the main concern. However, respondents are fairly satisfied with religious and socio-cultural facilities in the housing areas and most importantly not many regard ethnicity as an issue in their decision-making, when buying a house.

**Keywords**—Housing, Urban Housing, Malaysia

## I. INTRODUCTION

**D**ESPITE the emphasis on improving the provision of housing by the government in Malaysia, housing is still a controversial issues in Malaysia. The issues concerning housing in Malaysia has changed from merely accessibility to affordability and quality of housing. The term quality not only relates to physical design, size and facilities but also neighbourhood qualities, affordability and location of the housing. Research on housing in Malaysia mainly focused on housing satisfaction, which is still limited and fragmented. The studies either focused only on the dwellings and neighborhood facilities and environment [1] or linking types of housing project (low cost, medium cost and high cost), price of house and length of residency with satisfaction [2]. Abdul Ghani Salleh [1] compared satisfaction level of dwellings and neighborhood qualities in Kuala Terengganu, Terengganu and Georgetown, Pulau Pinang, while Mastura Jaafar, et al. [2]

Salfarina A.Gapor is a Senior Lecturer at the Department of Development Planning and Management, School of Social Sciences, Universiti Sains Malaysia, 11800, Penang, Malaysia (Tel. no: 604-6532665, Fax no: 604-6570918, Email: farina@usm.my).

Nor Malina Malik is a Senior Lecturer at the Department of Development Planning and Management, Universiti Sains Malaysia, Penang, Malaysia.

Azrina Husin is a Senior Lecturer at the Department of Anthropology and Sociology, School of Social Sciences, Universiti Sains Malaysia, Penang, Malaysia.

study is in Penang island and Seberang Perai, Pulau Pinang. This paper covers all determinants in relation to housing satisfaction which include demographic factors, dwellings conditions, location of housing, housing policy and ethnic preference in neighborhood. Therefore, the objective of this paper is to find out the problems and needs of urban housing in Malaysia from the house owners' perspectives in relation to all the above factors.

## II. MALAYSIAN HOUSING POLICY

The Malaysian Housing Policy has developed since its independence from the British in 1957 with some colonial influence, such as providing public housing for the poor and quarters for the civil servants. However, the emphasis has changed from merely providing accessibility to housing and solving the problem of squatters, slums and overcrowded housing to cheaper and better quality housing. In the 60's, the emphasis was on increasing housing ownership, especially affordable housing as a basic social need. In the 70's until 2000, the emphasis continued with the focusing on affordable housing for the poor but has included the elements of the New Economic Policy (NEP) objectives of restructuring income and assets between the different ethnic groups, especially Malay, Chinese and Indian. Although both the private and public sectors provide low cost housing, most affordable houses have been provided by the government under the public housing programmes. The price of low cost houses is at about RM 25, 000 per unit or below, but varies according to states and location (rural or urban) with targeted buyers of income below RM 750 per month [3]. However, the private sector has shown an increase responsibility in providing low cost housing to the public especially in the late 90s and early 2000. The housing policies programmes have been overemphasizing on the provision of low cost houses that there is insufficient medium cost house in the housing markets. Thus, the current housing policies have changed its emphasis to focus on meeting the needs of the middle income groups, especially the lower middle income.

## III. METHODOLOGY

The study is purely based on a quantitative method. 400 households were interviewed from four main urban states in Malaysia. This includes Pulau Pinang, Kuala Lumpur, Selangor and Johor. The sampling method is based on purposive sampling, focusing on urban housing areas. A cluster sampling with states as the cluster factor is then

chosen. The targeted number of sampling was 100 respondents from each state. However, the real sampling number differs (refer to Table I). The next step is a stratified random sampling based on ethnicity and types of housing. The targeted ratio between Malay, Chinese, and Indian is 3 Malays: 2 Chinese and 1 Indian. The targeted ratio was not met due to low response from the Chinese respondents. Types of housing are targeted to be 50 percent low cost and 50 percent medium cost. However, for the response rate, we manage to get 7.5 percent or 30 respondents from the high cost housing category.

TABLE I  
SAMPLING OF TARGETED AND ACTUAL RESPONDENTS BASED ON LOCATION, ETHNICITY AND TYPES OF HOUSING

		Target	Actual
States	Penang	100	122
	Kuala Lumpur	100	79
	Selangor	100	96
	Johor	100	103
	Total	400	400
Ethnic	Malay	200	248
	Indian	68	101
	Chinese	132	45
	Others	0	6
	Total	400	400
Type of houses	high cost	-	30
	low cost	200	99
	medium cost	200	267
	other	-	4
	total	400	400

The main instrument of data collection is a standardized questionnaire which is divided into six parts comprising of demographic and socio-economic profile of the respondents, information of housing ownership, perception on the respondent own house, perception on the respondents' housing areas, perceptions on neighbours and comment or recommendation by the respondent to improve housing condition. A pilot survey was done followed by the real survey at the chosen study areas. Frequency test is done to find out the demographic patterns of the respondents and the general trend in housing satisfaction. Crosstabulation is done by looking at the significant values of chi square to determine the association between housing satisfaction and trend with the demographic profiles.

#### IV. LITERATURE REVIEW

The Morris and Winter housing adjustment theory has been widely used to explain decisions of owners/renters about housing preferences, choices and satisfactions. According to Stegell et.al [4] the Morris and Winter housing adjustment theory was used to analyse housing constraints, residential satisfaction, housing decisions, housing perspectives and determinants of residential mobility. The theory looks at how households decide concerning housing issues in accordance to

socio-economic, norms and cultural standards. Jerome et al. [5] examined the determinants of housing demands which they described as being influenced by elements outside housing markets and within housing markets. The elements outside housing markets include income and preference distributions and prices of non-housing good, while the element within housing market includes market valuations of substitute submarkets. Coolen and Hoekstra [6] defined housing preference as value-oriented and goal-directed activities which are influenced by motivations for the choice taken for a certain characteristic of housing conditions. The problems and needs of housing are usually related to housing satisfaction. Housing satisfaction is defined as the perceived satisfaction of the owner towards dwelling conditions in relation to the neighbourhood [7] and gap between actual housing conditions and desired conditions [8]. Galster [8] also relates housing satisfaction to owning a house. Diaz Serrano et al. [9] linked housing satisfaction with either the owner's or renter's desired and aspired housing situation while Mccrea et al. [10] relates it to quality of life. However, Ogu [11] doubted the direct linkages between housing satisfaction and high quality of life. Biswas-Diener and Diener [12] used several items such as quality of construction, overcrowding and availability of public utilities to measure housing satisfaction.

#### V. FINDINGS AND DISCUSSIONS

##### A. Demographic Profiling of the Respondents

TABLE II  
DEMOGRAPHIC PROFILING OF THE RESPONDENTS

		Frequency	%
Gender	Male	265	66.3
	Female	135	33.8
	Total	400	100
Ethnic	Malay	248	62
	Chinese	101	25.3
	Indian	45	11.3
	Others	6	1.5
	Total	400	100
Religion	Muslim	251	62.8
	Buddhist	65	16.3
	Hindu	41	10.3
	Christian	42	10.5
	Others	1	0.3
	Total	400	100
Marital Status	Single	77	19.3
	Married	306	76.5
	Widow	21	3.6
	Others	3	0.8
	Total	400	100

Table II shows the demographic profiling of the respondents according to the gender, ethnicity and marital status. The ethnic and religious ratios are more or less proportionate to the composition of the ethnic and religious group in Malaysia.

Majority of the respondents are married. Most of the respondents have high education level, whereby over 50 percent have tertiary education (college and university graduates). Most of the respondents work in the private sector. This is followed by self-employed and government sector. Most of the respondents have income between the ranges of RM 1000 to 4000.

TABLE III  
SOCIO-ECONOMIC PROFILING OF THE RESPONDENTS

		Frequency	%
Educational Level	Informal Education	5	1.3
	Primary school	17	4.3
	Secondary school	153	38.3
	University	142	35.5
	College	83	20.8
	Total	400	100
Employer Sector	Government	61	15.3
	Self-employed	71	17.8
	Private	250	62.5
	Other	18	4.5
	Total	400	100
Income	RM 1000 and below	44	11
	RM 1001-2000	78	19.5
	RM 2001-3000	87	21.8
	RM 3001-4000	82	20.5
	RM 4001-5000	48	12
	RM 5001 and above	61	15.3
Total	400	100	

### B. Housing Trends, Needs and Problems

Table IV shows the affordability and period taken for the respondents to buy their houses. Majority of the respondents own medium cost housing.

Most of the houses cost between RM 50, 000 to 150, 000. Majority of the respondents have bought their houses for 16 years and over and paid their housing through bank loan. A small number of them paid through government loan and only about 11 percent paid by cash. Most of the respondents can afford to buy their houses within five years after working and about 30 per cent bought their houses between six to ten years after working.

TABLE IV  
AFFORDABILITY AND PERIOD TO OWN HOUSE

		Frequency	%
Types of Houses	High cost	30	7.5
	Low cost	99	24.8
	Medium cost	267	66.8
	Other	4	1
	Total	400	100
Price of Houses	Below RM 50 000	84	21
	RM 50,001- RM 100,000	118	29.5
	RM 100,001- RM 150,000	75	18.8
	RM 150,001- RM 200,000	63	15.8
	RM 200,001- RM 250,000	31	7.8
	Above RM 250,001	29	7.3
	Total	400	100
	Period of Housing Ownership	1 - 5 years	74
6 - 10 years		84	21
11 - 15 years		66	16.5
16 years and over		176	44
Total		400	100
Method of Housing Payment	Own money	42	10.5
	Government loan	61	15.3
	Bank loan	282	70.5
	Other	15	3.8
Total	400	100	
Period taken to buy the houses after employment	Below 5 year	174	43.6
	6-10 years	124	31.1
	11-15 years	44	11
	Above 16 years	57	14.3
	Total	399	100

TABLE V  
FACTORS AFFECTING PERIOD TO OWN HOUSE

Dependent variable	Independent variable	chi square value
Period taken to buy a house	Gender	0.003
	Satisfaction with Housing design	0.004
	Education level	0
	Income	0

Table V shows factors affecting years of housing ownership. The period taken to buy a house is influenced by gender, education level, income and satisfaction with housing design. The male respondents tend to buy their houses earlier (less than five years after employment) compared to female. Those with higher incomes and of higher education level tend to buy houses earlier compare to those with lower incomes and lower education levels. Most of those who buy their houses less than 5 years in employment tend to be more satisfied of their houses compare to those who buy late.

Table VI shows factors affecting years of housing ownership. Years of housing ownership is influenced by age and education level of the respondents. Older respondents tend to own houses for a longer period compared to the younger ones.

TABLE VI  
FACTORS AFFECTING YEARS OF HOUSING OWNERSHIP

Dependent variable	Independent variable	chi square value
Years of Housing Ownership	Age	0.001
	Satisfaction with cultural facilities at housing areas	0.003
	Existence of interaction with neighbours	0
	Education level	0.002

Those with higher education levels tend to own houses earlier compared to those with lower educational level. There is also a relationship between years of housing ownership and satisfaction of respondents with the cultural facilities at the housing areas. Those who own houses for a longer period of time tend to be more satisfied with the cultural facilities at their housing areas compared to those who only own their houses for less than 5 years. The chi-square values also show a strong relationship between years of housing ownership and the existence of interaction with their neighbours. Those who own their houses for a longer period tend to interact more with their neighbours compared to those who just own their houses for less than 5 years.

TABLE VII  
FACTORS AFFECTING TYPES OF HOUSES

Dependent variable	Independent variable	chi square value
Types of Houses	Income	0
	Education Level	0

Table VII shows factors affecting the types of houses that the respondent buy. The two factors are income and education level. Those with higher income and education level tend to buy high cost housing and vice versa.

TABLE VIII  
PROBLEMS FACED BY RESPONDENTS REGARDING HOUSING

Problems of Housing	Frequency	Valid Percent
Home location	135	33.8
Houses prices	160	40
Home design	10	2.5
Distance from work	59	14.8
Housing compound	33	8.3
Ethnic Composition	3	0.8
Total	400	100

Table VIII shows problems faced by the respondents regarding housing. According to them, the main problems are price of the houses which are too high and beyond their affordability. Second pressing problems are location of the houses, followed by distance of housing settlements from

work place. All three factors are associated with high cost of living in the urban areas. Other factors are not so important although regarded as problems by small percentage of the respondents which include design and compounds of the houses. As a multi cultural countries, it is quite surprising that ethnic composition is not regarded a major problems in urban Malaysia.

Table IX shows respondents' satisfaction of their housing condition. Despite location as the main concern of house buyers, many of those who own their houses are very satisfied with the location of their houses. For religious and socio-cultural space and facilities, most of them are also satisfied. Most of the respondents are satisfied with the facilities provided for worship, such as prayer rooms or buildings. This is followed by satisfaction on spacing for religious activities facilities, mainly to celebrate religious celebrations. Socio-cultural and events facilities are mainly for weddings, reciprocal and communal activities organised together by the Neighbourhood Associations. This implies a positive response concerning socio-cultural and religious space by the respondents, taking into account the multi cultural and multi religious characteristics of the respondents.

TABLE IX  
SATISFACTION OF RESPONDENTS WITH HOUSING

		Frequency	%
<b>Suitability of Location</b>	Yes	375	93.8
	No	25	6.3
	Total	400	100.0
<b>Worship Facilities</b>	Yes	352	88
	No	48	12
	Total	400	100
<b>Religion activities Facilities</b>	Yes	330	82.5
	No	70	17.5
	Total	400	100
<b>Socio-cultural and event facilities</b>	Yes	317	79.3
	No	83	20.8
	Total	400	100

Only 68 of the respondents interviewed provide inputs to improve housing conditions in urban Malaysia. 36.8 percent of the 68 respondents are still concerned with ethnic issues in the housing areas, this is despite earlier positive opinions regarding housing space and design taking into considerations religious and socio-cultural needs. At the same time, when buying a house, majority of urban Malaysian do not worry about ethnicity issues. The next suggestions for further improvement include enhancing housing policies and regulations to be more pro poor by increasing the construction of affordable housing and improve housing design, such as by upgrading facilities and amenities within the neighbourhood.

## VI. CONCLUSIONS

The findings show that housing purchasing trend in urban Malaysia is determined by demographic profiles, mainly by education level, age, gender and income. The period of housing ownership also influences the socio-cultural interactions and satisfaction of house owners with their neighbourhoods. The findings also show that the main concerns for house buyers in urban areas are price and location of the house. Respondents feel that houses in Malaysia is too expensive and beyond their affordability. Location of houses and distance from work place are also regarded as the main concern. Surprisingly, the respondents are fairly satisfied with religious and socio-cultural facilities in the housing areas and most importantly not many regard ethnicity as an issue in their decision-making, when buying houses.

## ACKNOWLEDGMENT

The authors would like to express their deepest appreciation to the Universiti Sains Malaysia, Penang, Malaysia for sponsoring this research through its Research University (RU) Grant from 2007 – 2010.

## REFERENCES

- [1] S. Abdul Ghani, "Neighbourhood Factors in Private Low-cost Housing in Malaysia", *Habitat International*, 32, pp. 485-493, 2008.
- [2] J. Mastura et al., "*The Determinants of Housing Satisfaction Level: a Study on residential Development Project by Penang Development Corporation (PDC)*", 2005. [Online]. [Accessed on 3 March 2011] Available from World Wide Web: [http://www.fppsm.utm.my/download/doc\\_view/73-the-determinants-of-housing-satisfaction-level-a-study-on-residential-development-project-by-penang.html](http://www.fppsm.utm.my/download/doc_view/73-the-determinants-of-housing-satisfaction-level-a-study-on-residential-development-project-by-penang.html)
- [3] S. Abdul Ghani, and L. M. Lee, "*Low Cost Housing in Malaysia*", Utusan Publications & Distributors Sdn. Bhd., Kuala Lumpur, 1997.
- [4] C. D. Stegell, C. D. et al., "Exploring Theories of Human Behavior in Housing Research", *Housing and Society*, Volume 30, No. 1, pp. 3-32, 2003.
- [5] R. Jerome et al. "*The Maze of Urban Housing Markets, Theory, evidence, and Policy*", University of Chicago Press: Chicago, 1991.
- [6] H. Coolen and J. Hoekstra, "Values as Determinants of Preferences for Housing Attributes", *Journal of Housing and Built Environment*, 16, pp 285-306, 2001.
- [7] A. G. Onibokum, "Social System Correlates of Residential Satisfaction", *Environment and Behavior*, 8(3), pp. 323-344, 1976.
- [8] G. Galster, "Identifying the Correlates of Dwelling Satisfaction: an Empirical Critique", *Environment and Behavior* 19(5), 539-568, 1987.
- [9] L. Diaz-Serrano, "Housing Satisfaction, Home Ownership and Housing Mobility: A Panel Data Analysis for Twelve EU Countries", *IZA Discussion Paper No. 2318*, September 2006, [Online]. [Accessed on 4 February 2011] Available from World Wide Web: <http://www.econstor.eu/dspace/bitstream/10419/33744/1/518343529.pdf>
- [10] R. Mccrea et al. "Testing a Moderated Model of Satisfaction with Urban Living Using Data for Brisbane-South East Queensland, Australia", *Social Indicators Research* (2005) 72, 121-152, 2005.
- [11] V.I. Ogu, "Urban Residential Satisfaction and the Planning Implications in a Developing World Context: The Example of Benin City, Nigeria", *International Planning Studies*, 7 (1), 37-53, 2002.
- [12] R. Biswas-Diener and E. Diener, "Making the Best of a Bad Situation: Satisfaction in the Slum of Calcutta", *Social Indicators Research*, 55 (3), 329-352, 2001.