

The Location Preference for High-Rise Residential Among Young House Buyers in Johor Bahru

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Abstract

Malaysia as a developing country faced rapid urban growth year by year. This situation has contributed to property price escalation in major cities including residential property prices. Out of 25,816 residential overhang units in 2023, 60.5 percent are from high-rise residential like condominium/apartment units. The intersection between location preferences and affordability becomes a pivotal aspect in shaping sustainable and inclusive housing solutions. This study aims to determine the most preferred high-rise residential location in Johor Bahru District among young house buyers. Information was gathered from a sample of 230 young house buyers using a questionnaire survey. Mean score analysis and frequency analysis were used to analyze the data. According to the study, most of the respondents agreed that high-rise residential buildings should be located close to places of employment. This study could inform future urban development initiatives, promoting a more responsive and inclusive approach to city planning in response to contemporary social trends.

1. Introduction

Every individual requires a house as a primary place of shelter. A house is a commitment that each household or individual uses their salary when they buy or rent a house. It is part of their income expenditures. Furthermore, it can be understood with relation to housing that satisfies adequate basic requirements, provides an acceptable level of accessibility to employment prospects, and is reasonably priced to avoid creating an excessive cost for its occupants.

Malaysia as a developing country faced rapid urban growth year by year. This situation has contributed to property price escalation in major cities including residential property prices. Choosing a house is not easy as many factors need to be considered such as location, level of income, house price, type of house, facilities, safety, and accessibility. Thus, today's young house buyer must make a wise decision when buying a house. They tend to buy high-rise residential compared to landed residential in the city as it is cheaper.

However, the NAPIC statistics in 2023 show a high volume and value of overhang residential units although they decreased from previous years (see Figure 1). In 2021, the number of residential overhang units was 36,863. The amount dropped in 2022, where the total number of units was 27,746 for a value of RM18.41 billion, and further decreased in the year 2023 with a total number of units was 25,816 worth RM17.68 billion. Out of 25,816 residential overhang units in 2023, 60.5 percent are from high-rise residential like condominium/apartment units.

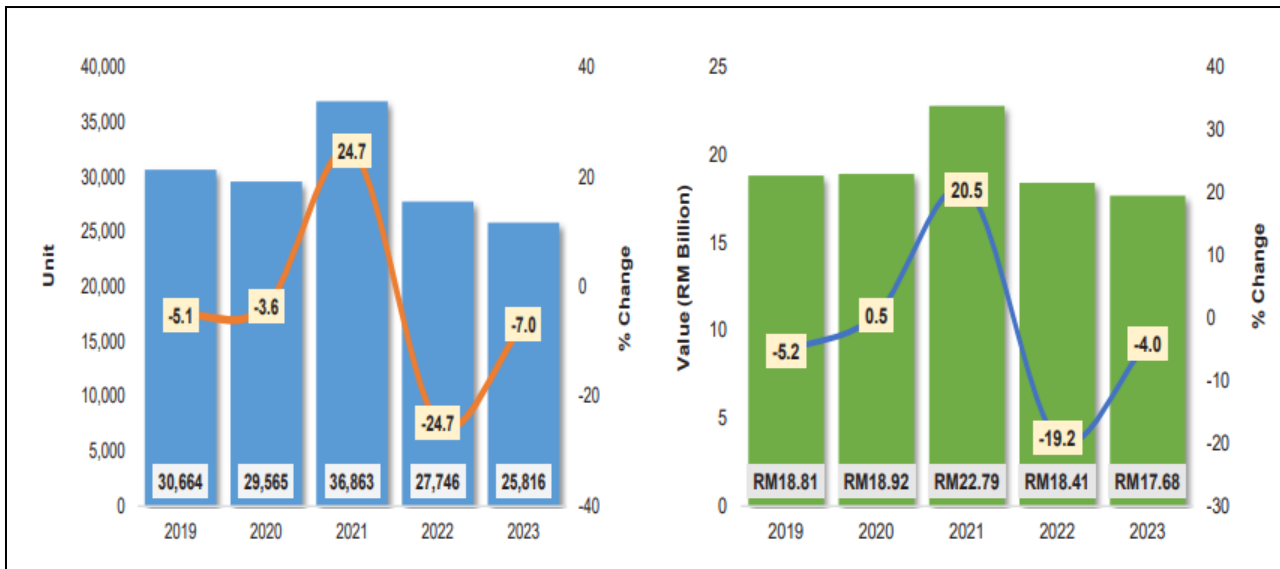


Figure 1 Volume (left) and value (right) of residential overhang 2019-2023
 Source: NAPIC (2023)

The intersection between location preferences and affordability becomes a pivotal aspect in shaping sustainable and inclusive housing solutions. The factors that influence their choice of residence should be determined by young house buyers who choose to purchase high-rise apartments in the city. To avoid residential property overhangs, supply and demand must find equilibrium. Thus, this study aims to determine the most preferred high-rise residential location among young house buyers in Johor Bahru District.

2. Literature Review

2.1 Young House Buyers

According to Gendall et al. (2016), young people fall within this age range: 18 to 35 years old. In the meantime, young people are represented in the starting age range of 20 to 35 (Khan et al., 2017). Young people are the most active population in terms of migration. (Ling et al., 2016). Their inability to plan and make financial decisions is exacerbated by their poor financial awareness and difficult access to financial services (Heath, 2008). Young adults at this stage begin to establish their household and live independently, eventually developing their family, which is distinct from their parents (Ling et al., 2016). The young generation is establishing their lives by obtaining steady jobs, beginning families, and striving for a superior quality of life. Thus, having a respectable and pleasant home is directly associated with having a good quality of life. According to (Khan et al., 2017) first-time house buyers are individuals aged 24-34 who have recently started their careers and have not yet purchased a house. This group requires careful consideration due to the extensive paperwork and financial resources required for this crucial decision, especially for those who have just begun their careers. Wu (2010) proposed that the young generation exhibits a range of housing preferences as a result of going through difficult life stages, like moving out from their parent's house in pursuit of employment and marriage. Consequently, while buying a home, the younger generation is more likely to examine the local facilities and environment.

2.2 High-Rise Residential

A high-rise is often defined as a multi-story building that is between 35 and 100 meters high or a structure whose height is unknown but has between 12 and 39 floors (Thakkar, n.d.). A high-rise building is characterized by its total height exceeding 36 meters or having more than 12 stories, according to (Mohd Nor, 2020). However, a high-rise building is not specifically defined. The International Building Code and the Building Construction and Safety Code describe any structure that is at least 75 feet tall, or more than seven stories, is considered a high-rise building. A high-rise is a multi-level structure where the majority of occupants depend on elevators to access their selected floors. High-rise residential buildings are regulated under the Strata Titles Act 1985 (STA). Multi-storey buildings with separate units, each having its own strata title, are known as high-rise buildings. This architectural design includes basic amenities including a waste chute, a swimming pool, covered parking, and a continuous security system. Buyers seek properties with value-added amenities like a gym, swimming pool, landscaping, etc., rather than ones with merely the basics (Au-Yong et al., 2019).

High-rise residential areas in Malaysia are gaining popularity among urban residents due to the variety of amenities within these housing complexes, making them a popular choice for living. In Malaysia's urban areas, especially in Penang, Kuala Lumpur, Selangor, and Johor Bahru, the demand for high-rise residential buildings is growing as a result of a shortage of available land and rising property and land prices (Thaker and Sakaran, 2016). This trend is driven by the contemporary urban lifestyle and the preference for high-rise structures among individuals. Furthermore, the demand for high-rise residential buildings has surged as a result of population and economic growth (Wahab et al., 2016).

2.3 Housing Preferences

Generations are distinct groups of individuals categorized based on age or birth year, each with unique characteristics, demands, and preferences. (Othman et al., 2020). Generational differences in housing choices stem from differences in decision-making among different generations, with some viewing housing as a shelter to meet their basic needs, while others view it as a means to achieve their goals (Ismail et al., 2021). Wide-ranging and multifaceted research has been conducted on residential housing preferences and choices. Looking at demographic variables including age, household composition, income, and current housing conditions could assist in explaining housing preferences (Rossi & Weber, 2010). As stated by Im & Fah (2018) and Ling et al. (2016), numerous factors influence home ownership, such as housing characteristics (such as types of houses and properties), trends in income and employment, and sociocultural and demographic factors. These characteristics help a prospective homeowner assess the factors that ultimately affect the choice to buy a house.

Roy & Babu's 2013 analysis of housing choices based on tenure type or location is crucial in the housing economics literature, especially in developing countries like India. This study enhances lifelong aspirations for high-quality residential environments, fuelling economic growth, family happiness, upward mobility, wealth accumulation, civil community participation, and stable neighbourhoods. Malaysian young adults face challenges such as unaffordable housing costs, getting married, moving away, and seeking new employment opportunities, making housing preferences crucial in addressing these issues (Ismail et al., 2021). In this article also, it was stated that the living preferences of young individuals change widely through their specific life stage, demonstrating an important impact on their future lives. Costello (2009) states that younger generations with smaller households are more likely to choose modest residences close to their place of employment, whereas higher earners are more likely to choose pricey homes as opposed to middle-class and lower-class options.

The young generation faces housing challenges as they start their lives and create families. They struggle to obtain desired tenure and find affordable housing that suits their needs and preferences, often being ineligible for rental housing or facing difficulties in finding suitable options. (Yaacob et al., 2018).

2.4 Location Preferences

Urban and suburban locations, housing near public transportation or major roads, housing near workplaces, and new affordable housing situated far from these areas are some examples of location factors (Aziz et al., 2022). Location is characterized as a particular geographic location that users may readily access and modify to suit their needs (Mariadas et al., 2019). The location of a house is an important factor for potential buyers when they want to buy a house. According to (Aliyu et al., 2012), Geographical location significantly influences the value of residential properties, affecting decisions to acquire them. Tangible factors include proximity to transportation hubs, building codes, environmental protection laws, household preferences, population growth, workplace proximity, community facilities, utilities, and zoning regulations. Intangible factors include household preferences, demand and supply, population growth, and adherence to zoning regulations. (Adegoke, 2014) House location is influenced by proximity to important places for purchasers, such as amenities, employment, and places of worship. Higher rental values also influence personal investment decisions, as buyers are more likely to purchase houses or make future investments in these areas (Oloke et al., 2013).

Mang et al. (2018) suggest that an individual's education and occupation significantly influence their decision-making when purchasing a house in a specific location, with proximity to the main street being a key factor. Young adults from urban Malaysian locations participated in a study carried out by (Aziz et al., 2022). According to the research, the location element significantly affected decisions about buying a house. A study by Kaya et al. (2019) shows Generation Y in Turkey is increasingly interested in purchasing a future house in urban areas due to proximity to their workplace. Respondents from less developed regions prioritize proximity to shopping centres and health institutions when choosing a location for their future house. The young generation prefers to live near the city's heart, while suburban districts often have more residential house buildings. The young generation prefers to reside near the city's heart, which can give them the amenities and services they require daily. The suburban district, on the other hand, sees a lot of residential house buildings. This has been confirmed by (Khan et al., 2017) in a study conducted in Klang Valley, Johor Bahru, and Penang. The study found that young house buyers chose location factors besides economic, neighbourhood, and structural factors when buying a new house. To promote adaptable and sustainable living structures, government agencies, developers,

and experts should carry out research to comprehend the requirements and preferences of the local population before housing planning (Ling et al., 2016).

3. Methodology

The research methodology is a well-organized and methodical approach employed in scientific inquiry to investigate research inquiries and acquire dependable responses. It encompasses a range of methods and procedures for collecting, analysing, and interpreting data, guaranteeing precision and credibility.

3.1 Case Study Area

The location for this case study is Johor Bahru District, Johor. There are nine Mukims under Johor Bahru District which are Bandaraya Johor Bahru, Iskandar Puteri, Skudai, Puteri Harbour, Tebrau, Sungai Tiram, Jelutong, Tanjung Kupang, and Pasir Gudang. With 1.8 million population growth, Johor Bahru District overwhelming burden when urban dwellers are demanding an effective provision of facilities.

3.2 Research Design

To achieve the aim of the study, this study uses a quantitative approach. Data was gathered from a specific sample using a quantitative research design. Section A and Section B comprise the two sections of the questionnaire used in this study. Respondents' demographic information is in Section A, while their preferred locations are in Section B. To find out where young adults in the Johor Bahru District like to live when buying a high-rise residential property, Section B of this questionnaire uses the Likert Scale. Ratings for their agreements were as follows: one for strongly disagree, two for disagree, three for neutral, four for agree, and five for strongly agree.

3.3 Population and Sampling

The population of Johor Bahru District amounted to 1,086,000 people was used to determine a sample size. A sample size calculation was performed before data collection to determine the necessary number of samples using GPower and Raosoft. The minimum sample size recommended was 384 samples with a 95 percent confidence level. The samples for this study were identified by using simple random sampling.

3.4 Data Collection

This study targets young house buyers in Johor Bahru, Johor. The Google Form was distributed and shared with a randomly chosen sample in Johor Bahru, Johor. The data supported and analyzed the hypotheses developed in the earlier literature review. The responses of respondents were served as primary data. All the information and data were utilized and examined according to the proper procedure to achieve the most precise outcome.

3.5 Data Analysis

This study utilized the Statistical Packages for Social Sciences version 26 (SPSS) to analyze respondents' demographics and scale-question responses. Types of data analysis include frequency analysis and mean score analysis.

4. Results and Discussion

4.1 Demographic Analysis

This study was able to get responses from 78% of the targeted sample (300 respondents). However, only 230 responses can be used leaving the other 70 respondents excluded when their age is more than 30 years old, their preference for landed residential, and living outside of Johor Bahru District.

The descriptive analysis in Table 1 shows that female respondents constitute 63 percent of the total participants, surpassing the male respondents who make up 37 percent. The age range of the responders all falls between 21 and 30. Of those surveyed, 29.1 percent are married while the majority, or 70 percent are single. These results indicate the majority have individual income from RM2001-RM5000 dominates the group with 63 percent. It is followed by income from RM1501-RM2000, 23 percent, RM5001-RM10000 with 8.3 percent, below RM1500, 12 percent, and income above RM10,000, 0.4 percent.

Furthermore, as this study focuses on Johor Bahru District, among the respondents, the most places of living in Johor Bahru District are Skudai at 40.4 percent, Bandaraya Johor Bahru 28.3 percent, Pasir Gudang 11.3 percent, Iskandar Puteri 10 percent, Tebrau 4.8 percent, Sungai Tiram 4.3 percent and Puteri Harbour 0.9

percent. The table also demonstrates the status of house buying of the respondents. 26.5 percent had bought a house, 67.0 percent had planned to buy a house and 6.5 percent did not plan to buy a house.

Through this study, the results show the most preferred type of high rise among young house buyers in Johor Bahru District is apartments (35.7 percent). Followed by low-cost apartments (34.8 percent), condominiums (24.8 percent), and low-cost flats (4.8 percent).

Table 1 Respondents Demographic

Items	Frequency	Percentage (%)
Gender		
Male	85	37.0
Female	145	63.0
	230	100
Age		
21-30	230	100
	230	100
Marital Status		
Single	163	70.9
Married	67	29.1
	230	100
Individual Income		
Below RM1,500	12	5.2
RM1,501 – RM2,000	53	23.0
RM2,001 – RM5,000	145	63.0
RM5,001 – RM10,000	19	8.3
Above RM10,000	1	0.4
	230	100
Place of Living		
Bandaraya Johor Bahru	65	28.3
Iskandar Puteri	23	10
Skudai	93	40.4
Puteri Harbour	2	0.9
Tebrau	11	4.8
Sungai Tiram	10	4.3
Pasir Gudang	26	11.3
	230	100
Status of House buying		
Has Bought a House	61	26.5
Plan to Buy a House	154	67.0
Don't Plan to Buy House	15	6.5
	230	100
Preference on Housing Type		
Low-Cost Flat	11	4.8
Low-Cost Apartment	80	34.8
Apartment	82	35.7
Condominium	57	24.8
	230	100

4.2 Location Preference for High Rise Residential

Table 2 shows the overall results of location preferences for high-rise residential among young house buyers in Johor Bahru District.

Table 2 Location Preferences for High-Rise Residential

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean Score	Ranking
The house is located in the city centre	1	3	70	89	67	3.9478	2
The house is near to the workplace	0	1	24	103	102	4.3304	1
The house is near many amenities such as a shopping mall and recreation park	0	60	45	82	43	3.4696	7
The house is easily accessible from highway and main road	0	1	79	124	26	3.7609	3
The house is near public transport	0	3	105	92	30	3.6478	6
The house is near health facilities	0	6	86	114	24	3.6783	4
The house is near the education	0.	8	85	116	21	3.6522	5
The house is near to family/relatives	30	69	60	59	12	2.8000	8

The table shows that the house near the workplace has the highest mean score at 4.3304. This preference is caused by their decision to live close to their workplace in the possibility of saving time and cost savings. The costs associated with traveling distance to the workplace can be high, including those related to gas, public transportation, and vehicle maintenance. Furthermore, the time lost on commutes is time that may be spent on personal interests, family activities, or even career advancement. People can reduce the time and money spent on daily commuting by opting to live close to their workplace. Long journeys can be exhausting, leaving people tired and stressed when they get home.

The respondents were neutral (range of 3.0000 to 3.9999) for houses located in the city centre, easily accessible from the highway and main road, near health facilities, near education, near public transport, and many amenities. However, priority is given to some location preferences like houses located in the city centre and houses easily accessible from the highway and main road when they were assessed for high ranks.

Table 2 also shows the house is near to family/relatives has the lowest rank with a mean score of 2.8000. This preference with a low mean score shows that young house buyers disagree if their house is near to family/relatives. They prefer to have an independent living.

5. Conclusion

The study has determined the most preferred high-rise residential location among young house buyers in Johor Bahru. The result shows the house near to workplace became the most preferred location when most of the respondents agreed. It is possible to conclude from this study that young home buyers prefer to live close to their workplace to save money and time. This is because, their preference to live near the workplace reflects a holistic approach to balancing professional and personal aspects of life, aligning with the evolving priorities of the modern workforce. Other reasons such as the cost of gas, public transportation, and vehicle maintenance. The respondents were neutral in other location preferences, but the priority is given to houses located in the city

centre and the house is easily accessible from the highway and main road. Most of the respondents disagreed with the preference of a house located near to family and relatives.

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Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

Author Contribution

The authors confirm contribution to the paper as follows: **study conception and design:** Normiesyahida Arissa Asrar, Noryanto Asroun Mohamad Asroun, Mohd Fadzli Mustaffa; **data collection:** Normiesyahida Arissa Asrar, Noryanto Asroun Mohamad Asroun, Mohd Fadzli Mustaffa; **analysis and interpretation of results:** Normiesyahida Arissa Asrar, Noryanto Asroun Mohamad Asroun, Mohd Fadzli Mustaffa; **draft manuscript preparation:** Normiesyahida Arissa Asrar, Noryanto Asroun Mohamad Asroun, Mohd Fadzli Mustaffa. All authors reviewed the results and approved the final version of the manuscript.

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