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Research paper

Perception of Young Executive with the Implementation of 'Evohomes[tm]' As New Affordable Housing Concept in Malaysia

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Abstract

The urban growth affected the soaring demand of affordable house especially in the urban area in Malaysia and affected the surge of housing price due to the low of affordable housing supply. This phenomenon not only affected the low-income group but also middle income group whom facing the financial difficulties in owning a house due to the rising cost of living in urban area. Khazanah Research Institute 2015 and Bank Negara, 2015 research indicates that housing price in Malaysia is unaffordable in all major cities in Malaysia for most middle to lower income groups. The IYRES study also showed that only 39.7 percent of youths owns a home. Young executives are trapped within the middle-income range of ages 23 to 35, earning between RM 2,000 and RM 3,000 per month. they are not eligible to buy a low-cost housing due to the requirement but at the same time, are not able to purchase medium cost property. Thus, the main objective of this study is to identify the young executive's perception on the implementation of 'Evohomes TM' concept as strategy to provide the affordable housing. The results indicate young executive accepting this concept to be applied to affordable homes.

Keywords: *Affordable house, basic home, evolving home, young executive.*

1. Introduction

Housing is a basic social need that is necessary for shelter, living and security for the family has highlighted in the Malaysian Quality of Life Index (2007) [1]. Recently the rate of population growth and increase due to urban growth factors have significantly affected to the soaring of demand for the affordable housing especially in the urban area in Malaysia. This scenario has resulted in the surge of housing price due to higher demand while the amount of the affordable housing supply was severely low as faced by the Ministry of Urban Well-being, Housing and Local Government and related institutions, such as, the difficulty to fulfill the demand due to very limited affordable houses that can be built at the urban areas [2]. The housing price in Malaysia was increased drastically due to the high housing demand and unparalleled housing supply [3] this shows that this phenomenon not only affected to the low-income group but also for middle-income group that face the financial difficulties in owning a house due to the rapidly rising cost of living in urban area. This statement is also supported by a research conducted by Khazanah Research Institute (2015) and Bank Negara (2015) shows that housing price in Malaysia is unaffordable in all major cities in Malaysia for most middle to lower income groups (try not to repeat the same statement from the abstract) whereby Malaysia has a "critically unaffordable" housing market [4]. The housing prices are relatively affected by the relationship between supply and demand [5]. Affordable housing emphasizes making affordable housing for every household and it is related to user capabilities and the desire to own or buy a home [6] but the comparison between what has been constructed and what Malaysia needs illustrates a significant difference between Malaysian housing products and needs [7].

The main emphasis of Malaysia's housing policy is on the provision of adequate, affordable and quality housing for all Malaysians [8]. Therefore, this has been obligation to the government to overcome this issue in ensuring that middle to lower income groups are able to purchase their own house. As a government, execution of various housing policies and regulations have to be implemented in providing the affordable housing. For instance, the Malaysian government established the homeownership schemes for first-time homebuyers, the implementation of the Malaysian development plan and numerous programs have been introduced to meet the housing needs [9]. The programme or schemes has been implemented are 1 Malaysia Housing Programme (PR1MA), 1Malaysia Civil Servant Housing Programme (PPA1M), Federal Territory Affordable Housing Policy (RUMAWIP) Rumah Mesra Rakyat 1Malaysia (RMR1M), Rumah Selangorku, People's Housing Project (PPR) and MyHome. All these programme and schemes has been implemented for their own target group for example PR1MA programme provides an opportunity to the young middle-income to buy the first home while PPA1M with the same agenda but focusing to the civil servants. Differently to the RMR1M, PPR and MyHome programme are served to the low-income group. Whilst the RUMAWIP targeted low-income groups worked or inhabit in Kuala Lumpur meanwhile the Selangorku programme was focusing for low to middle income groups inhabit in Selangor.

However, these housing assistance programs are inadequate to all level income for instance as there are many people trapped within the middle-income range [10], whereby they are not eligible to buy a low-cost housing due to the low cost-housing qualification requirement but at the same time, the housing market price for medium cost was increasingly soaring. Consequently, the middle-income group cannot be able to purchase medium cost property [11]. Although the Malaysian government proactive endeavour confronts this issue, these

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schemes and programmes are ineffective without collaborative with the private housing sector. The government should encourage the more private sector to produce an affordable housing. Hence this study will introduce the concept of flexible plan or called 'Evohomes ™' as a strategy to the private sector in implementing affordable housing programs for the younger executive. Thus, the main objective of this study is to identify the young executive's perception on the implementation of 'Evohomes™' concept as strategy to provide the affordable housing. This study is important to examine the public reflection when the new housing concept proposed in the market as the provision of affordable housing focusing on the young executive.

2. The Evohome ™ concept

This concept is proposed to be implemented for the future housing design as a strategy in helping the government to provide affordable housing, especially for middle income group to own an affordable house. This concept is expected to offer a lower housing price for young executive buyers and provide an opportunity for buyers to design their dream home. The basic ideas of the Evohomes ™ concept are to give an opportunity to the owners to rearrange or remodel their own space in the house when their basic home is offered to them.
The basic conceptual of 'Evohomes ™' is basic home with open plan that allow home evolve horizontally and vertically without affecting the main structure of the building, parallel with the emerging of the needs and owner's financial ability in the future as show in figure 1. The evolving concept on horizontal means that the owner is allow internal additional and renovation works such as adding or modify the internal space according to current needs and expand the number of room due to the increasing number of family members. Typically, the structure of existing home or conventional construction does not allow floor extension, because the existing frame structure cannot bear the burden for upper floor increment. Therefore, this conceptual framework proposes the final foundation and structure that is ready for additional storey. The use of other material like composite material is introduced to reduce the wet construction cost such as cement, bricks [12], plastering and painting. While the concept evolve vertically shows that the basic home are allowed to be raised up to second floor or third floor. On the other hand this concept encourages the single storey house upgradable to full double-store.
Family growth phase shows a benchmark on space requirements or room requirements according to the growth number of family members. Besides that the renovation works is commonly done by the owner due to enhance property value and comfort [13]. In order to provide the better house for the family the renovation and additional room is an alternative solution in gaining the desire home or to fit their needs [14]. There are a lot of innovative material nowadays in the market produced from waste and recycle material that not only can reduce the environmental impact but also may lower the cost and most importantly result in a healthier and more comfortable living environment [15] [16].
The strategy of this concept is to introduce the basic home as with basic spaces namely 1 living room, 1 kitchen, 1 bathroom and 1-bedroom space. This strategy to ensure the 'Evohomes ™' concept offers lower price to the market, due to basic home and minimal inner wall usage, furthermore savings is mainly on deferred second storey construction & inner walls.

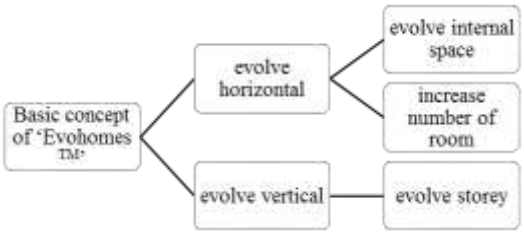


Fig. 1: Basic concept of 'Evohomes ™'

3. Why young executive?

Norhaslind, Idrus and Ho [17], carried out a study on demographic factors that influenced housing affordability. Thus the common question is does the age factor influence the housing affordability. Is that true the young executive is facing difficulty in buying and owning an affordable housing? In other words, why only a few from this group can afford to buy and own house. What are the financial commitments of the young executive? The young executive can be defined as youths among graduates from diploma to a bachelor's degree who have commenced their employment with an approval in the range of ages from 23 to 35, earning between RM 2,000 and RM 3,000 per month. Referring to figure 2 the average minimum monthly salary for executives without working experience (young executive) indicates that the income level of this group is less than RM3, 000 [18] [19]. The average salary offered to fresh graduates is somewhere between RM2, 300 to RM2, 500, depending on their academic qualifications [20]. Issues of the increase of high price over the years has been a burden to the low- and middle-income groups. This is specifically true to those who have yet bought their first home and young executives who just graduated and started to work [21].

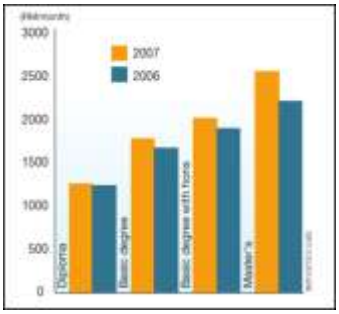


Fig. 2: The minimum basic monthly salary average for executives without working experience.Source: The Edge Malaysia, 2008.

The IYRES study also showed that in only 39.7 percent of youths owning a home, while the rest is 60.3 percent, showing a large percentage of youths do not have their own homes (Youth Development Research Institute, 2014) [22]. On the other hand, the unaffordabil-

ity factor to own a house for the young executives is not because of the housing prices had increased dramatically, but also their income contributing factor in owning a house it is because their income became stagnant and could not cope with the price offered in the market [23].

4. Research methodology

This research was conducted by using two methods, namely literature review based on others previous research related to this topic and secondly by using questionnaire survey. This questionnaire survey was performed to identify the perception of young executive with the implementation of 'Evohomes™' as new affordable housing concept in Malaysia. Acquiring Malaysian perception was important in provision of affordable housing for the future. Therefore, in preparing this research the questionnaires surveys are distributed to 500 respondents comprising of young executive living in the Klang Valley. This method is to identify the actual scenario of the issues and problem of housing affordability and to obtain respondents' perception and acceptance on flexible home plan and the selection criteria in buying a home.

An assessment was conducted by evaluating the degree of respondents consent on acceptance level of on the concept of evolving home as affordable housing in Malaysia, in other words are they satisfied or willing to purchase this home applying this concept or vice-versa These factors are assessed according to the Likert scale scores 1 (strongly disagree) to 5 (strongly agree). The result analysis was obtained by using Statistical Package for Social Sciences (SPSS) version 16.0 software and Microsoft Excel software.

According to Carr et al. (1996), Likert scale can be used to measure the level of approval for home selection criteria and the concept of new terrace houses (home variable space itself). This statement was strongly agreed by others researcher [24], [25], [26] which the Likert Scale is provides a highly reliable scale compared to the open-ended question. Descriptive analysis was used to determine the frequency and total percentage. The Cronbach alpha was used in this study to determine the validity and reliability. The value of a good reliability and validity of the Cronbach's Alpha value approach 1.0. Generally, the value of 0.8 is sufficient to be accepted as an appropriate level of reliability for an error while a value less than 0.6 is considered low.

5. Analysis and discussion

This research is getting a fairly well response from the respondents. 500 questionnaire surveys had been distributed to the young executive living in Klang Valley with 467 respondents' surveys were successfully collected and give their feedback to questionnaires. This total numbers of respondents who are responded consisted of 142 male respondents and 325 female respondents as shown in figure 3 in pie chart. The questionnaire survey was distributed randomly to young executive who live in Klang Valley, this is because this research is to examine the reason why these target groups are having a difficulty to buy an affordable home, moreover this research is to identify the young executive's perception on the implementation of 'Evohomes™' concept as strategy to provide the affordable housing. Thus, from a total number of respondents they are only 21.4% of the total respondents had their own residence, while not otherwise (78.6%) this is shows in figure 4.

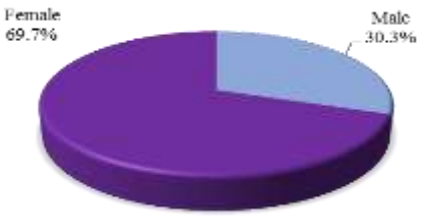


Fig. 3: Respondents distribution by gender.

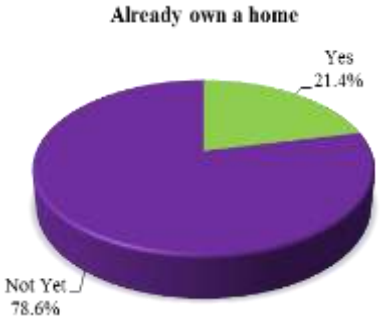


Fig.4: Respondents distribution based on the status of own residence

Instruments used in this questionnaire form include demographic information and questions regarding acceptance of the idea of flexible home floor plans and the concept of 'Evohomes' home which is the concept of basic home that can be modified in the future. The research instrument used is as follows:

Table 1: Items for Consent on the concept of 'Evohomes ™'.

Items	Level Agreement with the concept of 'Evohomes ™'
A	I am satisfied with this concept
B	I agree this concept is made as an affordable home
C	I am interested in buying the first home using this concept

D	I am interested in buying a home that I can afford with the size of a suitable home
E	I'm interested in buying a house with this concept as I can have a landed house at a lower price
F	I am interested in buying this concept house if I can modify my own space

The Cronbach's alpha for the 6 items of acceptance criteria of flexible floor plan home concept is 0.976 which is higher than 0.80. This shows the reliability of questions on acceptance of the flexible floor plan design concept is good (refer table 2). Conceptual frameworks were developed based on the result of the conceptual concepts and it has applied to the design and implementation manual of the flexible concept home construction concept. This concept offers a basic home or open floor plan where the owner can add a room in the future depending to the current need and consistently with their level of financial ability. The concept is to allow house prices offered in the market is low and affordable.

Table 2: Reliability statistics

Cronbach's Alpha	N of Items
.976	6

Table 3 shows the response distribution on acceptance of the concept of affordable housing. The survey indicated that the respondents were interested in buying a house that I was able to own with a suitable home size (agreed = 42.8% and very agree = 40.9%; min = 4.4) and 45.2% respondents agreed and 40.7% as affordable housing (min = 4.2).

Table 3: Distribution and percentage of respondent's perception and respond to the concept of affordable housing in Malaysia

		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Not Response	Min
		1	2	3	4	5		
A	Bil. (n)	0	12	62	200	191	2	**4.2**
	%	0.0	*2.6*	*13.3*	*42.8*	*40.9*	*0.4*	
B	Bil. (n)	1	10	52	211	190	3	**4.2**
	%	*0.2*	*2.1*	*11.1*	*45.2*	*40.7*	*0.6*	
C	Bil. (n)	2	12	59	201	189	4	**4.2**
	%	*0.4*	*2.6*	*12.6*	*43.0*	*40.5*	*0.9*	
D	Bil. (n)	0	1	19	229	214	4	**4.4**
	%	0.0	*0.2*	*4.1*	*49*	*45.8*	*0.9*	
E	Bil. (n)	2	4	34	168	254	5	**4.4**
	%	*0.4*	*0.9*	*7.3*	*36.0*	*54.4*	*1.1*	
F	Bil. (n)	1	8	48	227	179	4	**4.2**
	%	*0.2*	*1.7*	*10.3*	*48.6*	*38.3*	*0.9*	

A total of 90.4% agreed (agree and strongly agree) with the statement "I am interested in buying a home with this concept because I could have landed with lower prices" with a mean value of 4.4. While for the statement "I am interested in buying this concept house if I can modify my own inner space" 86.9% express agreement (48.6% = agree, 38.3% = very agree, min = 4.2). Overall results shows that young executive accept this concept with the highest score indicate the certain criteria should be implemented on this concept specifically the respondent concern about the size of the house this mean that the basic home are acceptable as long as the size of the house in optimal. Besides that, the respondents tend to accept this concept because they can own a landed house at a lower price. Nowadays as it is known that it is inaccessible to purchase a landed house especially in the urban or even fringe area at a reasonable price.

6. Conclusion

Overall, Malaysians, especially young executives living in major cities in Malaysia, face difficulties in owning their own homes. With current income level compared to housing market prices the young executives is certainly not able to buy their own home. The increasing housing prices is the main factor that causes these groups to be unable to buy a house, advocated by other factors such as lack of affordable housing supply, excess supply of high cost houses, high cost of living, speculative factors, etc. The results analysis shows that young executive accepts this concept with the highest score indicate the certain criteria should be implement on this concept specifically the respondent concern about the size of the house this mean that the basic home are acceptable as long as the size of the house in optimal. The average mean score is 4.2 indicates that respondents are entirely satisfied with this concept and accept this concept to be applied to affordable homes and they are willing to buy homes that apply this concept. This shows that this concept can be applied by applying the concept of increasing the number of floors of 1 storey to 2 storeys. Further studies have to be carried out to complement this study which includes a review of the concept of implementation of this concept in order to be a solution to issues and problems of home ownership disability for young executives today.

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