Critical Factors Influencing the Purchasing Decisions among Home Buyers in Malaysia

Zaherawati Zakaria
Faculty of Administrative Science and Policy Studies, UiTM Kedah Branch
Email: zaherawati @uitm.edu.my

Wan Nur Safirah Binti Meor Zainuazmi
Kementerian Pendidikan Malaysia Aras 5, Blok E2 Kompleks E Pusat Pentadbiran Kerajaan Persekutuan 62604 Wilayah Persekutuan Putrajaya
Email: wsafirahazmi@gmail.com

Ummu Kalsum Binti Jahauddin
CIMB BANK BERHAD Jalan Mahsuri 32 Jalan Mahsuri 11950 Bayan Baru Penang Malaysia
Email: ummujahauddin@gmail.com

Nazmi @ Nazni Noordin
Faculty of Administrative Science and Policy Studies, UiTM Kedah Branch
Email: nazni@uitm.edu.my

Mohd Zool Hilmie Mohamed Sawal
Faculty of Information Management, UiTM Kedah Branch
Email: zoolhilmie@uitm.edu.my

Abstract
Home purchasing trends are constantly changing due to several factors. Financing factors have always been a major factor that will influence home buying decisions in Malaysia. However, the factors are different for groups of people because their demands and preferences in choosing a home are different. As a result, most developers find it difficult to build and design homes to attract home buyers. Therefore, this study aims to identify the factors in influencing the purchase decision of home buyers in Malaysia especially in Kedah. Researchers have listed financing, location and neighborhood as factors that can influence in determining the factors of home purchase decisions among residents in and the quantitative research method through was adapted in this study in which 74 questionnaires were distributed to the respondents within two weeks. The findings of the study indicate that financing, location and neighborhood contributed a positive relationship with the purchase decisions of home buyers in Laguna Merbok Sungai Petani township. From the results, some

suggestions are recommended by the researchers along with the limitations of the study and hopefully can help future researchers with the expansion of the scope of the study, variables and methods.

Keywords: Purchasing, Decisions, Home, Home Buyers.

Introduction

According to Main (2017), millennials are one of the generations born between 1981 and 2000. And the author reports, half of today's homeowners are under the age of 36 and the other half of sellers are under the age of 41, which is more of a situation than anyone else. Also clearly shows the millennial generation as an emerging group entering the market. In Bell (2017) quoted by Byron Carlock, PricewaterhouseCoopers' U.S. real estate practice director, millennials tend to make home-buying decisions as the median age of millennials rises to their thirties. The increase in millennial home ownership begins with millennials starting a household and raising a family. Carlock added that most millennials have long waited to enter the market and decided to buy their homes primarily after waiting for their income levels is stable and affordability in finance condition. In addition, millennials live with their homes and roommates to avoid rent. Millennials believed that doing so would save more for use in their first home purchases in the future. In addition, according to the Zillow Group, a survey of homebuyers, sellers, owners, and lessors in the United States found that Millennial homebuyers have a median income of $ 87,500, of which 50,000 a year. According to the National Association of Real Estate Agents (NAR), the majority (57%) of people under the age of 36 shop in the suburbs, followed by 16% in small towns and 15% in urban areas. In Dubai, some areas offer properties by Jumeirah Village Circle (JVC) is currently facing major development. While the Dubai area focuses on building low-priced villas and townhouse communities, the JVC still has a lot of buildings under development. Imrann Nawab, Sales Director of Gulf Sotheby's International Realty, explains that the majority of buyers in this segment are end users and new investors who benefit from special payment plans and low prices. For end users, this segment offers the opportunity to own a home, but investors achieve higher rental income due to their lower cost. As expected, this segment generally has the potential to achieve high rental yields of around 7-13% (Navin, 2017).

In Canada, 49.7% of new homebuyers consider fences a necessity and another 28.2% really want them. Instead, Canadians like to keep their paradise private, so they also want good neighbors (Kalinowski, 2017). In 2018, the Canadian Real Estate Association (CREA) released the latest home sales forecasts. This is projected to reduce national sales by 5.3% to 486,000 due to OSFI's new mortgage regulations. This scenario shows that mortgage regulation will ultimately limit spending by Canadian homebuyers. In addition, with the relaxation of withdrawals granted by the Reserve Bank of India, more Indian buyers were looking for real estate in London. Buying Agent Black Brick Reports that 13% of this year's transactions are directed to Indian buyers. This has increased since 2.6 and a half years ago, and this is due to changes in banking regulations (Property Wire, 2017). In contrast, Malaysian homebuyers consider location as an important factor in buying a home, and respondents consider Klang Valley as the top place to buy with 70% interest. The suburbs of Selangor ranked second with 29% followed by Penang with 19% and Johor with 14% (Pavither, 2017). Selangor, Penang and Johor are one of the developed countries that offer tremendous employment opportunities, ample facilities and strategic locations, so these three states make high homebuyers' residential real estate. However, the spike in the cost of living and economic uncertainties

have led to an upswing in job security, resulting more cautious consumer spending in current situation (The Sun Daily, 2017). In consequence, the prices of the housing also will be observed rigorously before they commit into a house purchasing as it involves a biggest impact on one's financial condition. Furthermore, majority of the Malaysian developers nowadays tend to look at the physical layout, facilities, architecture and design of the residential units as well as the office space, mix of retail outlets, parks or recreational spaces and connectivity to roads and transport hubs in fascinating the home buyers. Moreover, the young home buyers have different expectations which they are requesting for facilities that allow them to live a certain lifestyle. Thus, the developers are thinking on building an environment that fosters the desired lifestyle of their potential buyers (Boey, 2015). Therefore, the survey tries to reveal the critical factors that influence the purchasing decisions of homebuyers in one of township in Kedah which is Bandar Laguna Merbok.

In Malaysia, urban population growth has led Malaysian developers to build huge residential areas to meet the general demand for their homes. Thus, this led to competition among developers to sell their residential areas to customers. In particular, they compete in terms of sales, branding, marketing, and advertising in terms of finance, location, housing attributes, and other aspects that may convince customers to buy a home (Chin, 2016). Because of this, the developers offer so many products that clients have a wide range of products related to residential areas. This is because most developers consider factors such as amenities, location, and financial planning to be important in convincing buyers to buy a home. However, home prices are rising significantly year by year, and buying a home is not affordable for home buyers in Malaysia. Therefore, they tend to choose regions that offer the best financial transactions, especially in terms of home prices, mortgages, monthly payments, and future investments and with pandemic Covid 19 make the scenario even complicated (Yeap, 2021). Global housing consultant Knight Frank said Malaysia was the 11 most expensive locations in all countries of the world between 2015 and 2020. This is due to the ever-developing housing market. However, this problem is stalling Malaysia's housing industry. Many Malaysians can't buy a dream home and will rent a residential area, or buy a home that doesn't meet their dream home. Despite all the competition and amazing promotions offered by the developers, there are many empty residential areas, especially in urban areas. SP Setia Sdn Bhd, one of the leading real estate developers, reported a decline in profits in 2016 compared to 2015. The property reservation amount is only 65% of the finished projects. This value decreased by 9% from 74% in 2015 (SP Setia Annual Report, 2016). Apart from that, according to the latest statistics from the National Property Information Center (NAPIC), as of the end of 2019, there are still 14,792 residential areas across Malaysia with no buyers. Surprisingly, most of this empty residential area is far from all the facilities and is in a non-strategic location that buyers don't like. This shows that in the current economic climate, we prefer six closes to all equipment and facilities to reduce stress and costs (Cheah and Stefanie, 2017). For this reason, residents not interested in residential areas far from tourist attractions, especially transportation and workplaces. Therefore, the researchers hope that this study will help to understand the purchasing decisions of Bandar Laguna Merbok township, Sungai Petani Kedah homebuyers and the factors that contribute to their decisions.

Literature Review

Article 18, Home Buyer Claims Courts may classify home buyers as the first person to purchase a home before (Hariz, 2018). It shows that most first-time homebuyers buy a home not for

investment purposes but because they want to own a home for home. Buying a home will be the most important decision in a person's life, as it is the most expensive of most households. Homebuyers' home preferences usually depend on homebuyers' demographics such as age, household composition, income, and current home conditions, and initially influence buyers' purchasing decisions (Abdullah et al., 2012). This definition was also proposed by Sengul et al (2010) and the author defined the purchasing decisions when the buyer intent to purchase the product and at some points made all the monetary arrangements. According to Sidi & Sharipah (2020), purchasing decisions is basically due to intent to buy. And associates purchase intent with purchase decisions. Solomon & Michael (2009) describes consumer purchasing decisions as the process of individual and group selection, purchase, consumption, and disposal of products or services to meet the needs and desires of a particular consumer. Similarly, Schiffman & Kanuk (2000) defines purchasing decisions as the behavior consumers represent when selecting and purchasing products and services to meet their needs and desires using available resources. In addition, purchasing decisions is a process that takes place before a consumer purchases a particular product. Kotler and Keller (2009) state that consumers must go through five stages in the purchasing decision-making process, including problem identification, information research, alternative evaluation, purchase decisions, and post-purchase behavior. Financing is a very important factor for buyers to consider when buying a home (Eze & Lim, 2013). The funding factor for this study requires future homebuyers to borrow large amounts of money and pay premiums to borrow. This markup is used as an indicator of consumers' willingness to buy a home (Maoludyo & Aprianingsih, 2015). Homebuyers buy homes when a housing union or government-provided funding program matches their financial position. Therefore, financing is one of the factors that contributes to homebuyers' purchasing decisions. Manivannan and Somasundaram (2014) stated that finance is the second most important factor in choosing residential real estate in selected areas of Tamil Nadu. Therefore, this proves the author's hypothesis that finance has an important relationship with the purchase decisions of home real estate buyers. This is because 71.50% of the respondents answered the survey and finance is very important. This result is also supported by Khan et al (2017), proving the hypothesis that finance is associated with home buying decisions when the t-value is 2.58. 0.05. Meanwhile, Tawfik et al (2015) have found that financing is the fourth factor influencing homebuyer decisions. This study is done in Jeddah, ARAB Saudi surveys. This result is less than 0.8 lending reliability in this study, which compares the attitude, subjective standard, and other 17 other factors such as government factors that value exceeding 0.8. indicates that it represents 0.744 of Bach α. Apart from this, the study also demonstrates that it is the meaning between funding factors and Saudi Arabia's home purchasing decisions but majority of the respondents are influenced towards their decisions of their attitudes and behavior. This result is also subject to Saw and Tan (2014) when funding is a factor that affects home purchasers, but is not the main factor compared to other factors. Only 36% of the 330 respondents agreed that funding was the dominant factor in attracting them to Shah Alam's residential areas. Saw and Tan (2014) also state that homebuyers also prefer residential areas. This will ensure higher funding, lower interest rates and less home ownership procedures in the future, but the main factor is that the funding required by homebuyers will affect future value, amount of interest and how much they pay each month. This result is consistent with Palancioglu & Cete (2014) when the findings state that finance does not have a significant impact on Wuhan's homebuyers' purchasing decisions. Findings from previous studies also confirmed that location is one of the most important factors influencing an individual's decision-making when buying a home

instead of financial (Shaidi and Lucian, 2016). Some of the various points of interest that homebuyers need to consider are the distance to the central business district, schools, workplaces and retail stores (Adair, 1996). Shaidi and Lucian (2016) showed that location attributes are actively associated with homebuyers' purchasing decisions. The authors state that respondents increase their purchase decisions if the neighborhood is close to all equipment, as their purchase decisions increase by 5.569% for every 1 km to the point of interest. Therefore, the results obtained are significantly correlated with the author's hypothesis. Palancioglu & Cete (2014 also supports its hypothesis with the final results of the study, proving that the location attributes are positive. The rationale for the above survey is consistent with the survey conducted by Tan (2013), which is one of the key attributes that may influence the decision of individuals seeking home ownership in Malaysia. It also shows that it is a place that most considered by the home buyers. Tan (2013) focuses on the intent of the first homebuyers across Malaysia towards Malaysian housing schemes, more specifically the 1 Malaysian People's Housing Scheme (PR1MA) and My First Home Scheme (MFH). Tan (2013) defines locations as close to shopping centers, schools, public transport, workplaces and leisure activities as the main factors that influence when to buy first home. The questionnaire uses a dichotomous scale, and respondents only need to answer 1 for "yes" and 0 for "no".

As a result, the distance from a home project to a place of interest, such as a workplace or school, had a positive and important link to the decision of a home buyer to buy a home project. Thus, it proves Tan's (2013) hypothesis and goal, and 28.8% of homebuyers believe that location is the most important factor influencing them when buying a home. The study also recommends that the government build the first home with the right necessities and amenities, provide easy access to everyday amenities, and attract first-time buyers to purchase future housing projects. A list of eight location attributes that influence homebuyers' decisions, such as highlighted by Han, H., & Kim, Y. (2015). The author wants to identify if there is a significant relationship between the places that are important to the consumer's purchasing decision for a housing unit. From the results obtained, it shows that there are several factors that respondents consider important and need to put at the first place. This is because Razak (2013) states that location is one of the main factors in marketing and that location is considered a distribution channel. Other factors that are not considered to influence the respondent's decision are considered normal factors, such as Distance to hospitals, market squares, red light districts and highways. In summary, the study found that location was the third most important factor in consumer home purchasing decisions, second only to price and product, but location also importance on consumer purchasing decisions. Chia et al (2016) in his research title "Attributes Affecting Home Buyer's Buying Decisions: A Study of Setia Alam's Home Assets," mentions location as a real estate environment, but in commercial areas, facilities and infrastructure, education and employment influence people when buying a home in Setia Alam, and the presence of public transportation influences the choice of place to live. The hypothesis of this study is that when buying a home at Setia Alam, there is a correlation between the real estate environment and the decision to buy a home. Therefore, researchers carried out Google-generated questionnaires and online questionnaires. 150 sets of questionnaires are distributed to Setia Alam clients, and all answers are useful for hypothesis testing. The results obtained in this study confirmed the Chia et al (2016) hypothesis. According to its findings, when buying a home with Setia Alam, there is a positive and significant correlation between the real estate environment and the decision to buy a home. This result was supported by a sig value of 0.00 and was less than P

of 0.05. Since Cronbach's alpha value is 0.739, the real estate environment is considered to be able to influence the decision of the home buyer, and the real estate environment may influence the home buyer's intentions at Setia Alam. The study also states that location is one of the main influential factors by referring to Nasar & Manoj (2015), which states that the attributes that people should consider when buying a home are location, location, location. The environment of housing area is important and comprises of several important factors. However, the most important elements to be consider is pollution, level of crime, security as well as noise (Adair et al., 2020). The decision of the home buyers will be contributed by these characteristics. Past studies also found that these environmental factors were important determinants of household's residential purchase decision (Opoku and Abdul Muhmin, 2010). Neighborhood or house environment is important when considering the future house to be purchase in the future. This result is aligned with the result obtain by Zrobek and Trojanek (2015). The article state that, environmental factors have high influenced on property buyers" choice in residential location in Poland. This is because, based on their result, 32% of respondent are choose security as highly important in considering when purchasing their house while 60% choose quite neighborhood remarks as important. Moreover, the final result of this research reveals that, 70% of respondent agreed that the quality of the residential neighborhood will influence their decision in owning a house. Tan (2013) also already expected that the gated and guarded housing projects will become the most demanded by the home buyers and the result also align with the author expectation whereby 91% of the respondent choose the gated and guarded housing area as their influencer in owning a house. However, for the pollution, only 36% of the respondent agreed that it will become the determinants in their decision in purchase a house. As for the recommendation, Tan (2013) suggest that, the developer in the future shall consider all this neighborhood aspect in their future housing development to ensure that it will get massive intention from the future buyers. Other than that, it also beneficial in providing significant information in improving the housing delivery system in Malaysia. Based on the study at Taman Selasih and Taman Lukut Makmur at Negeri Sembilan, Labin, Irfah and Kamaruzzaman (2014) state that the neighborhood that are low rate of crime and safety area are important for the affordable houses in Malaysia. All the respondent in both residential areas are vote safety and crime as important determinants to consider the affordable house is in good performances. Even though, the crime rate at this area is in average score which is 9% but almost of the respondent are eye to eye in considering the area that are low in crime rate when they intend to repurchase a house in the future. Based on the result, it can be concluded that the authors" hypothesis is accepted and there is significant relationship between the neighborhood and the performance indicator of the affordable housing area in the central region of Malaysia. Reference group can be defined as the social surrounding around the individual that will influence them in making decision (Razak, 2013). Apparently, purchase decision always being connected with the family preferences. The purchaser tends to purchase a product that are favor their family or following the step done by their family. Moreover, they also will be influenced by their friend, government or the influenced person. Thus, when discussing about the house purchase decision, reference group can be defined as the social group that will affect the home purchase decision. Adair (1996) state that house features comprise of house design, building quality, interior and exterior design, or finishing which these features are expected to influence individual's house buyer's purchase decision. Previous literature review also found that, these house features are important for a consumer when they select and purchase a house. A study done by Chia et al (2016) found that house features have significant

relationship with home buyers purchase decision in Kota Kinabalu, Sabah. Defendants place great importance on home details such as home construction quality, construction time, and size, as all these facts are specific and easy to assess when deciding which home to buy.

Research Methodology

Researchers used a quantitative method in this study. With this method, the survey was distributed to the respondents within two months in 2019. In this study, a hypothesis test is used to measure the critical factors that influence the purchase decisions of homebuyers in Bandar Laguna Merbok, Sungai Petani. Tabachnick and Fidell (2007) suggested using the formula "50 + 8 m". Where "m" is the number of factors or variables. The sample size required is 74, as there are only three factor variables in this study. The calculations to determine the sample size for this study are as follows: Sample size = 50 + 8 (3) = 74 respondents from 4105 households in Bandar Laguna Merbok. In this study, researchers used simple random sampling. Simple random selection refers to various selection methods for randomly selecting sample members with known selection probabilities by having the list of residents from the list of Residents Association.

Analysis of Findings
Demographic of Respondent

Based on the data collection, 100% of the target participants answered the questionnaire. Therefore, the results were analyzed based on the 74 respondents obtained during the survey period. According to the results, 100% of all respondents who participated in this survey, 45.9% were male and an additional 54.1% were female. Therefore, it was shown that the number of female respondents was higher than the number of male respondents to determine the factors influencing the purchase decision of homebuyers in Bandar Laguna Merbok, Sungai Petani Kedah. Mostly the respondents aged between the range of 21 years old until 30 years old which was about 48.6%, followed by those aged 31 until 40 years old, 41 until 50 years old and 50 years old above. Apart from that, from the data gained it showed 83.8% of the questionnaires were answered by the Malay and another 8.1% are Chinese and Indians. It is also recorded that 62 of the respondents are married others are single and divorcee. As for the family size, 71.6% of the residents in the Bandar Laguna Merbok are having 3 persons and above in a house and the only 4 from them having only 1 person as the family member. Furthermore, from the data obtained it can be concluded that most of the residents in Bandar Laguna Merbok earned more than RM 4 501 per month. After that, 17.6% earned RM3,001 to RM4,500, 14.9% earned RM1,501 to RM3,000, and finally 9.5% if their monthly income was less than RM1,500. Respondents' educational background is also analyzed using descriptive statistics. Most of them were found to have a bachelor's degree of 29.7%, a master's degree of 27%, 16.2% for both secondary and diplomas, and a minimum of 0% for elementary school. Out of the 74 questions distributed, 35 appear to be employed as civil servants, 22 as self-employed, 11 as private employees, and 6 as other employees.

The Extent of Home Buyers' Purchase Decision

From the first question, researchers considered multiple options before most respondents decided to buy a home and found an average score of 4.3378. In addition, the second question with an average of 4.5270 shows that most respondents choose to own their own home. In short, this shows that they are directly involved in the decision to buy a home. The respondents said, the majority of respondents buy homes on average 4.7297 and are happy

with the purchase decision on average 4.3919. Apart from that, most residents believe that they have made the right decision by buying a home in Bandar Laguna Merbok, Sungai Petani, kedah. This can be proved by the mean value of 4.4054. In addition, the majority of residents believe that Bandar Laguna Merbok's home was a good buy, with an average price of 4.3243. From the descriptive analysis obtained, researchers can prove that all respondents have the knowledge and considered all decisions before buy a home at Bandar Laguna Merbok.

Analysis of Findings
Relationship between Financing Factor and Purchase Decision

		Purchase Decision	Financing Factor
Purchase Decision	Pearson Correlation	1	.237*
	Sig, (2 – tailed)		.042
	N		74
Financing Factors	Pearson Correlation	.237*	1
	Sig, (2 – tailed)	.042	
	N	74	74

*Correlation is significant at the 0.05 level (2-tailed)

Based on the above results, it shows that there is a significance (p) between both variables. Where the significance value is p & sig; 0.05, that is, p = 0.042. The correlation is r = 0.237. This means that there is an association between the variables, but the association is moderate. The value achieved indicates that the homebuyer's purchase decision is influenced by funding factors. Therefore, in this township, the alternative hypothesis is accepted as the analysis shows that there is a moderate significant between funding and homebuyers' purchasing decisions. This study shows that the results obtained are consistent with previous surveys that support the importance of the relationship between economic factors in choosing a residential area and homebuyers' purchasing decisions. Based on the findings of Lin (2016), there is sufficient evidence to conclude that economic factors are involved in the decision to buy real estate in Bangkok, Thailand.

Relationship between Location Factor and Purchase Decision

		Purchase Decision	Locational Factor
Purchase Decision	Pearson Correlation	1	.338**
	Sig, (2 – tailed)		.003
	N		74
Locational Factors	Pearson Correlation	.338*	1
	Sig, (2 – tailed)	.003	
	N	74	74

**Correlation is significant at the 0.01 level (2-tailed)

Based on the above results, it shows that there is a significant value (p) between both variables. Where the significance value is p & sig; 0.05, or p = 0.003. The correlation is r = 0.338. This means that there is an association, but the association is moderate. The values achieved indicate that the homebuyer's purchase decision is influenced by location factors. Therefore, the alternative hypothesis is accepted because the analysis shows that in residents in Bandar Laguna Merbok having moderate significant between location and homebuyer's

purchase decision. Shaidi & Lucian (2016) also found in previous findings that there is a significant correlation between the distance of homes purchased in Tanzania and the purchaser's purchase decision.

Relationship between Neighborhood Factor and Purchase Decision

		Purchase Decision	Neighborhood Factor
Purchase Decision	Pearson Correlation	1	.425**
	Sig. (2 – tailed)		.000
	N		74
Neighborhood Factors	Pearson Correlation	.425*	1
	Sig. (2 – tailed)	.000	
	N	74	74

**Correlation is significant at the 0.01 level (2-tailed)

Based on the results in the table above, we show that there is significance (p) between both variables. Where the significance p & sig; 0.05, or p = 0.000. The correlation is r = 0.425. This means that there is an association, but the association is moderate. From the determined values, it can be proved that the purchase decision of the home buyer is influenced by neighboring factors. Therefore, in this study, the alternative hypothesis is accepted, as analysis shows that there is a reasonably significant association between neighbors and homebuyers' purchasing decisions and the gated and guarded as in Bandar Laguna Merbok. Tan (2013) found that both neighborhood crime and guarded neighborhoods were important determinants of homeownership potential among future homebuyers. In particular, when a survey of Polish consumers found that consumers preferred the value of noise-free neighborhoods and landscapes as important environmental attributes, the results were similar and reflects the study done by Zrobek, Trojanek, Sokolnik and Trojanek (2015).

Multiple Regression Analysis test between the Home Buyers' Purchase Decision and Financing, Locational and Neighborhood

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.456ª	.208	.174	3.62478

a. Predictors: (Constant), NEIGHBORHOOD, FINANCING, LOCATIONAL

Table 4.6: Model summary

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	241.306	3	80.435	6.122	.001ᵇ
	Residual	919.734	70	13.139		
	Total	1161.041	73			

a. Dependent Variable: PD

b. Predictors: (Constant), NEIGHBORHOOD, FINANCING, LOCATIONAL

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.577	2.216		7.931	.000
	FINANCING	.101	.066	.177	1.531	.130
	LOCATIONAL	-.032	.082	-.070	-.393	.696
	NEIGHBORHOOD	.380	.144	.445	2.645	.010

a. Dependent Variable: PD

Based on Table 4.6: A summary of models related to R-squared values shows 20.8% of funding, location, and neighborhood influence on homebuyers' purchasing decisions. In addition, the significant difference in the ANOVA table indicates that the value is 0.001 and less than 0.05, so this model is accepted in this study. Based on the coefficient table 4.8, the most influential factor influencing homebuyers' buying decisions in Bandar Laguna Merbok is neighborhood, with a beta value of 0.445, followed by funding of 0.177 and location with 0.070. Therefore, in this study, the researchers concluded that neighborhood is the main factor influencing homebuyers' purchasing decisions. These results were supported by Zrobek and Trojanek (2015) when the findings mirror that 70% of Polish respondents agreed that the quality of the residential area strongly influences the decision to buy a home.

Discussion & Recommendations
Discussion
The first research objective proposed by the researchers is to determine the extent of the homebuyer's purchase decision in Bandar Laguna Merbok, Sungai Petani, Kedah. Therefore, the researchers used descriptive statistical techniques to test the hypothesis. A possible explanation from the results is that the majority of the residents of Bandar Laguna Merbok, Kedah are trained to buy a good home. From the research, researchers found that funding factors were correlated with the decision to buy a home. Most respondents agree that monthly home prices, mortgage rates, down payments, mortgage repayments, and household income will impact when buying a home. Homebuyers are aware that funding factors influence their purchasing decisions. Therefore, researchers were able to prove that financial factor was significantly associated with homebuyers' purchasing decisions, but moderate relationship was occurred from the study. This finding also mirror is supported by Koklic & Vida (2009) which is an important factor that buyers must consider when buying a home. This is because homebuyers take into account the financial situation and ability to repay loans when buying a home. However, the relationship is moderate. Residential areas are considered to be high-end residential areas, but the fact that most of the respondents can buy a home in Bandar Laguna Merbok, Sungai Petani, leads to a possible explanation that majority of them were having good financial condition. From the study, researchers found that neighborhood factors were correlated with the decision to buy a home. Most respondents are look into neighborhoods, gates and guarded neighborhoods, neighborhoods (open spaces), neighborhoods (neighborhood quality), neighborhoods (cleanliness) when buying a home in that township. Homebuyers are aware that neighborhood factors influence their buying decisions. They tend to believe that high-end residential areas should live in high-quality neighborhoods and high-quality communities. Therefore, researchers were able to prove that neighborhood factor had an important relationship with homebuyers' buying decisions with the relationship is moderate and the results obtained are consistent with (Tan,

2008). The authors stated that good quality neighborhoods are usually from high-end residential areas. Tan (2008) was able to prove that there is a significant relationship between good neighborhood and children's performance, leading to buying decisions for homebuyers. Finally, the research objective developed by the researchers is to study the most important factors that influence the buying decisions of homebuyers in Bandar Laguna Merbok, Sungai Petani, Kedah. The results obtained in the previous chapter proved that neighborhoods are the dominant factor influencing the buying decisions of homebuyers. One possible explanation that can be inferred from the results is that the residents of Bandar Laguna Merbok consider the neighborhood to be a critical factor in purchasing a good home. Neighborhood is the most influential factor influencing Bandar Laguna Merbok homebuyers' buying decisions, as the majority of residents can afford to buy homes. Neighborhood characteristics such as crime rate, guarded and guarded living, open space environment, neighborhood quality, cleanliness is important as residents are now seeking additional quality to make home purchase decisions. It is also advisable to consider neighborhood factors when developing high quality residential areas in the future. The recommendations in this chapter are based on the comparisons and evaluations performed. Researchers examine each element of the variable and provide suggestions for future research. House prices must be controlled by the government. The government agencies need to manage house prices by unifying home design and reducing construction costs using construction technologies such as Industrialized Building System (IBS) which uses public or states land for affordable homes.

Limitation and Future Research
This study had certain limitations that researchers faced in completing this study. The results are limited because it is not enough to use only quantitative methods and researchers will not be able to find out the details of the favorable factors that contribute to the respondents' decision to buy a home. In addition, the results of qualitative studies can provide useful clues for further quantitative studies (McDaniel and Gates 1998; Miles and Huberman 1994). Limited variables also one of the limitations of the study. Not only that, the small sample size also contributes to the study and its limit the findings in order to generalize for other areas in Malaysia. Therefore, if researchers apply both methods, extend the sample size and add more the variables in the future research, the findings can generalize in wider scope of purchasing decisions among home buyers in Malaysia.

Chapter 5 Conclusion
In conclusion, this study answered all the research objectives and able to identify the critical factors that influence the purchasing decisions of homebuyers in Bandar Laguna Merbok, Sungai Petani Kedah. The method of quantitative through survey was used and the researchers approached 74 respondents to complete a self-administered questionnaire. All data was analyzed using SPSS to produce the result of the relationship between the independent variables which are financial, locational and neighborhood with purchasing decisions among home buyers. From the results, it shows that neighborhoods are the most critical factor influencing the purchasing decisions among home buyers. Other variables still influence Bandar Laguna Merbok's homebuyers' purchasing decisions accordingly. Researchers have also suggested some recommendations for improving this scope of study for future research with more initiatives and program by the government to help people own a house and increase the affordability of home ownership in Malaysia.

References

Abdullah, L., Nor, I. B. M., Jumadi, N., Arshad, H. (2012). First - Time Home Buyers: Factors Influencing Decision Making. 2012 International Conference on Innovation and Technology for Sustainable Built Environment (ICITSBE 2012), Perak, Malaysia.

Abideen, Z. A. (2017). Effective Advertising and Its Influence on Consumer Buying Behavior. Retrieved 8th December, 2021, from http://pakacademicsearch.com/pdffiles/ech/517/5565%20Vol%203,%20No%203 %20(2011).pdf

Adair, A., Berry, J., & McGreal, S. (2020). Valuation of Residential Property: Analysis of Participant Behavior. *Journal of Property Valuation & Investment, 14*(1), 20-35.

Bell, R. (2017). How Millennials Are Changing the Real Estate Market. Retrieved December 16th, 2017, from http://robbreport.com/shelter/spaces/how-millennials- are-changing- the-real-estate-market-2767706/

Boey, E. (2015). Trends in the Malaysian property market. Retrieved December 17th, 2017, from https://www.edgeprop.my/content/trends-malaysian-property-market. Building Materials. *Forest Product Journal, 53* (5).

Cheah, S. L., & Stefanie, J. A. (2017). Pencerahan Isu Rumah Mampu Milik. Utusan Online. Retrieved 14th December, 2017, from http://www.utusan.com.my/rencana/utama/pencerahan-isu-rumah-mampu-milik-1.461014

Chia J., Harun A., Kassim A. W. M., Martin D., Kepal N. (2016). Understanding Factors That Influence House Purchase Intention Among Consumers in Kota Kinabalu: An Application of Buyer Behavior Model Theory. *Journal of Technology Management and Business, 3*(2), 45-56.

Yeap, C. (2021). Cover Story: Non-Subsidized PR1MA Homes Also Means Tough Delivery of Rent-To-Own. The Edge Malaysia. Retrieved October 2017 from http://www.theedgemarkets.com/article/cover-story-non-subsidised-pr1ma- homes-also-means-tough-delivery-rent-own

Eze, U. C & Lim, Y. Y (2013). Indicators in the Purchase of Housing Properties. *Journal of Southeast Asian Research, 3*(2), 55-57.

Han, H., & Kim, Y. (2015). An investigation of green hotel customers. Decision formation: Developing an extended model of the theory of planned behavior. *International Journal of Hospitality Management, 29*(4), 659-668. Retrieved February 25th, 2022, from http://dx.doi.org/10.1016/j.ijhm.2010.01.001

Hariz, L. (2018). Rumah tidak mampu milik: BNM saran 5 cara selesai masalah. Retrieved June 2, 2018 from http://www.astroawani.com/berita-malaysia/rumah- tidak-mampu-milik-bnm-saran-5-cara-selesai-masalah-168265

Kalinowski, T. (2017). What are Canadian new-home buyers looking for? The answer is unsexy. Retrieved December 25th, 2017, from https://www.thestar.com/business/real_estate/2017/12/29/what-are-canadian- new-home-buyers-looking-for-the-answer-is-unsexy.html.

Khan, P. A. M., Azmi, A., Juhari, N. H., Khair, N., Daud, S. Z. (2017). Housing Preference forFirst Time Home Buyer in Malaysia. *International Journal of Real Estate Studies, 11*(2), 78-103.

Koklic, M. K., & Vida, I. (2009). A Strategic Household Purchase: Consumer House Buying Behavior. *Journal of International Studies, 8* (3), 345-509.

Kotler, P., & Keller. (2009). Marketing Management. United States of America: Pearson Education.

Labin, A. M. J. E., Che-Ani, A. I., & Kamaruzzaman, S. N. (2014). Affordable housing performance indicators for landed houses in the central region of Malaysia. *Modern Applied Science, 8*(6), 70.

Main, D. (2017). Who Are the Millennials? Retrieved December 25th, 2017, from amp.livescience.com

Manivannan, P., & Somasundaram, M. (2014). Purchase of Residential Flats – Factors Influencing the Decision of Buyers in Selected Cities in Tamil Nadu. *International Research Journal of Business and Management, 11*(9), 654-786.

Maoludyo, F. A., Aprianingsih A. (2015). Factors Influencing Consumer Buying Intention for Hosuing Unit in Depok. *Journal of Business and Management, 4*(4), 324-453.

McDaniel, C. D., & Gates, R. H. (1998). *Marketing research essentials.* New York: Pearson

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis*: An expanded sourcebook. sage.

Nasar, K. K., & Manoj, P. K. (2015). Purchase Decision for Apartments: A Closer Look into The Major Influencing Factors. *International Journal of Research in Applied, Natural and Social Sciences, 3*(5), 345-987.

Navin, H. (2017). For homebuyers, price matters. Retrieved December 18th, 2017, from http://gulfnews.com/business/property/for-homebuyers-price-matters-1.2135462

Opoku, R. A., & Abdul-Muhmin, A. G. (2010). Housing preferences and attribute importance among low-income consumers in Saudi Arabia. Habitat International. Orientation on family purchase decision making in Malaysia.

Palancioglu, H. M., & Cete, M. (2014). The Turkish way of housing supply and finance for low- and middleincome people. *Land Use Policy, 4(*1), 122-127.

Pavither. (2017). Every 6 out of 10 Malaysians are still Keen to Buy Properties. Retrieved December 19th, 2021, from https://www.propertyguru.com.my/property-news/2017/5/152923/the-home- buyer-appetite-in-malaysia

Property Wire. (2017). Bank Changes Mean More Indians Are Buying Prime Property in London. Retrieved December 26th, 2017, from https://www.propertywire.com/news/uk/bank- changes-mean-indians-buying- prime-property-london/

Razak, M. I. M. (2013). Purchasing Intention towards Real Estate Development in Setia Alam, Shah Alam: Evidence from Malaysia. *International Journal of Business, Humanities and Technology, 3*(6), 33-41.

Schiffman, L. G., & Kanuk, L. L. (2012). *Consumer Behavior: A European Outlook*. United States of America: Financial Times/Prentice Hall.

Sengul, H., Yasemin, O., & Eda, P. (2010). The Assessment of the Housing in the Theory of Maslow"s Hierarchy of Needs. *European Journal of Social Sciences, 16*(2), 214- 219.

Shaidi, N., & Lucian, C. (2016). Condominium, Gated Communities and Housing Estate: An Investigation into the Factors Influencing House Buying Decision A Case of Dar Es Salaam in Tanzania. *Valley International Journals, 3*(10), 123-230.

Sidi, S., & Sharipah, N. (2020). Quality affordable housing: A theoretical framework Social, *International Journal of Social Science, 2*(1), 5-15.

Solomon & Michael, R. (2009). *Consumer behavior: buying, having and being (5th ed.)* New Jersey: Prentice Hall.

SP Setia Annual Reports 2016. (2016). Retrieved 24th October 2017 from

http://www.spsetia.com.my/corporate/annual-reports/annual-report-2016/mobile/index.html

Tabachnick, B. G., Fidell, L. S., & Ullman, J. B. (2007). *Using multivariate statistics*, Boston, MA: pearson.

Tan, T. H. (2008). Determinants of homeownership in Malaysia. Munich Personal RePEc Achieved, Vol 7(98), Retrieved 27th October 2021 from https://mpra.ub.uni-muenchen.de/34950/1/MPRA_paper_34950

Tan, T. H. (2013). Meeting First-Time Buyers" Housing Needs and Preferences In Greater Kuala Lumpur. *Cities, 29*(6), 389-396.

AL-Nahdi, T. S., Nyakwende, E., Adnan, M. B., Jappie, A. A. (2015). Factors Affecting Purchasing Behavior in Real Estate in Saudi Arabia. *International Journal of Business and Social Science, 6*(2) 113.

The Sun Daily. (2017). Malaysia Real Estate Market Outlook For 2017. Retrieved December 17th, 2021, from http://www.thesundaily.my/news/2143610.

Zrobek, S., Trojanek, M., Sokolnik, A. Z., and Trojanek, R. (2015). The Influence of Environment Factors on Property Buyers Choice of Residential Location in Poland. *Journal of International Studies, 8*(3), 164-174.