

Homeownership of Low-Cost House By High Income People

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Abstract. Homeownership is an important matter in the housing market to ensure that each group such as high-income, middle income or lower income group can afford to own a house. Besides, a home provides benefits for individuals, government and economy. The objective of this research is to examine the method used by high income people to own a low-cost house and to examine variables that cause low-cost house owned by high income people in Malacca. The sample for this research is 30 respondents at Taman Kesang Damai, Jasin, Malacca. To generate this sample, judgement sampling technique was chosen. This research utilizes descriptive method to analyze the data. The findings of this research is high-income people used their friends to own a low-cost house in Malacca. The main variables that cause low-cost house owned by high income people in Malacca are high desire to own a house and co-operative between friends.

Keywords: Homeownership; Low-cost housing; High income people; Descriptive method

1. Introduction

Low cost home ownership by high income individuals is not a new issue in housing. This issue has existed since the New Economic Policy was introduced in the 1970's. So far, this issue is still there, especially in low-cost housing. This situation reflects the issue of low cost home ownership by high income individuals has not been fully resolved. In fact, this issue is still remaining and very difficult to avoid in the absence of a thorough and careful management of the various parties involved in the acquisition of low cost housing provided only to low-income groups. Homeownership is an essential element in the housing market to ensure that affordable housing is provided by each class such as high-income earners, middle income or lower income groups. This is due to have a home to provide benefits to individuals, government and economics [1].

In this case, the role of government is essential to ensure that low-cost housing provided only to those who meet the eligibility criteria of having low-cost housing. That case, if there are certain individuals who would like to have a low-cost housing, even if they are not qualified, can be restricted in the early stages of selection carried out. Most studies on low-cost homeownership focuses on issues of comfort, quality construction, affordability of housing [2], the issue of dumping of low-cost housing, the supply and demand issues, and so forth. Therefore, this study will examine the method of low-cost home ownership by high income individuals and examine the factors that lead to low-cost homes owned by high income individuals.

This paper will first review theories and concepts of homeownership of low cost houses by high income people and empirical evidence from previous studies to form the basis for a conceptual framework. Finally, it discusses the implications of its findings on housing policies and makes recommendations to improve the existing strategies for low-cost housing development.

2. Homeownership of Low Cost House

Low cost homeownership by low income groups are encouraged by the government of Malaysia. It can be seen through the concern of the government to provide low-cost housing construction in each of the Ninth

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Malaysia Plan to be drawn on each of five years. In addition, the government is constantly monitoring the low-cost housing is owned by low income earners.

Since the Plan-2, Federal Government tried to solve the problem of slum housing and poor housing that is now Ten Malaysia Plan [3]. In each of the housing policy outlined five years through the Ninth Malaysia Plan, certainly no exception provides housing for all Malaysians on all their income level, with emphasis on low-income earners. Therefore, the government set guidelines to help the poor by providing low-cost housing. Among the assistance provided by the government to these groups by providing financial assistance to low-cost home buyers and developer of housing funds to state governments to build public housing and low-cost housing and land for housing development and subsidies to developers.

There are many definitions given by the previous researcher of low-cost housing. Among them is Tan [4] which defines a low-cost housing units in accordance with the construction based on minimum standards designed for low cost housing. Low cost houses known as the home government, housing is cheap, quick and as a home. Name for low-cost housing is often variable and unfixed. Recently, low-cost houses are also known as affordable housing.

There are three methods of low cost home ownership through the purchase, rental and provision by the government. Moreover, there are also many factors that contribute to the occurrence of low-cost homeownership by high income individuals. Among the relevant factors are high revenue, influence, power, desire and high desire, cooperation relatives or friends and the role of the Land Office.

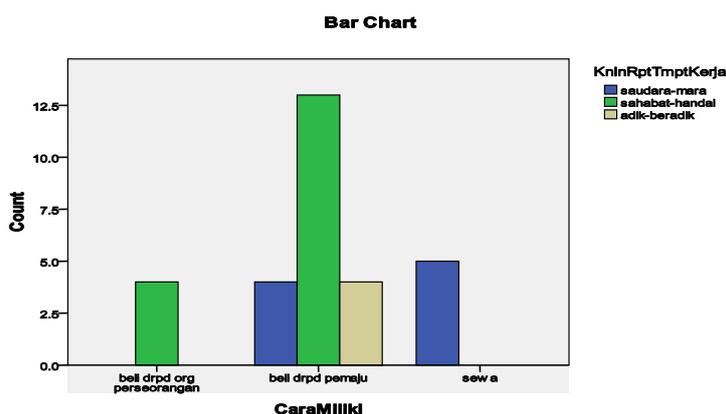
3. Methodology

Owing to a shortage of research funding and time, only Malacca has been chosen as a case study. The sample for this research is 30 respondents at Taman Kesang Damai, Jasin, Malacca. To generate this sample, judgement sampling technique was chosen. This research utilizes descriptive method to analyze the data. The descriptive method included frequencies and percentages of respondent characteristics.

4. Analysis of Low Cost Homeownership Method By High-Income Individuals

Through the analysis of low-cost homeownership method by high income individuals, found that high-income individuals use relationships with their friends, namely by 56.7% to have a cheap house in Melaka, as shown in Bar Chart 1.

Bar Chart 1: Low-Cost Homeownership Method by High Income Individuals



5. Analysis of Factors Caused Low Cost Housing Owned by High-Income Individuals

Through analysis of the factors caused low-cost houses are owned by high income individuals in Malacca. It is a high requirement to own a home, with 60% (Table 1) and has co-operatives with friends of 56.7% (Bar Chart 1).

Table 1: Respondents Requirements

Respondents Requirements	Frequency	Percentage	Cumulative Percent
House	18.0	60.0	60.0
New Furniture	4.0	13.3	73.3
Land	8.0	26.7	100.0
Total	30.0	100.0	100.0

6. Results and Discussion

The finding of this research is high-income people used their co-operatives with friends to own a low-cost house in Malacca. The main variables that cause low-cost house owned by high income people in Malacca are high desire to own a house and co-operatives with friends. Findings of this study is that even high-income individuals recognized the officer at the Land Office, had a influence and power, but they are not getting any assistance from officials at the Land Office for the purpose of having a low-cost housing. In addition, high-income individuals are not using their influence and power to have a low-cost housing. Instead, they collaborate with their friends for the purpose. Although the issue of low cost home ownership by high income individuals always occur in the low-cost housing, but the number who have this type of houses are very little and it still can be controlled by the government and related parties. Thus, each individual should work together to ensure that no low-cost homeownership by high income individuals particularly at Malacca and generally at Malaysia.

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8. References

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