

Youth and Home Ownership: A Case Study of Sabah

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Introduction

Home is not only a basic human need as a shelter, but also an important component in the country's economic growth. To own a place we call home is a necessity to every human. From a small hut to a big mansion, home provides us with security and a sense of belonging. It is a place of refuge, a place to get peace, as well as a place to relax and also to run family activities. The ability of owning a house, thus making having a home possible, is an important point in the housing market for each country. It reflects the socio-economic stability and development of the nation. It is crucial to ensure that prices in housing market are made affordable and reasonable to its community. In other words, home ownership shall be made possible to the people especially to those that intend to have their first house in urban area. It is considered an Urban Community or popularly known as downtown, if there are more than 2,500 people living in the community (Jenkins & ML Thomason Production, 2014).

Affordability is perceived to be related to incomes, housing costs, housing availability, employment, maintenance of the existing, affordable housing stock, and patterns of new construction (Maclennan & Williams 1990: 9). Housing affordability refers to the financial ability to own a house (Norazimawati 2007: 19). According to the Ministry of Housing and Local Government (KKTP 2014), lower income household refers to those having total gross income between RM750 to RM2, 500.

Considering all relevant aspects, it is important and interesting to establish investigation in Sabah especially Sabahan youth on the following research questions: What is the factors affecting the housing affordability?; What is the level of housing affordability with respect to the income and housing price?; and, What type of houses should be supplied or located.

These research questions are useful to meet the research objectives in order to identify the factors affecting housing affordability; to examine the ability of housing affordability among communities in urban area; and to investigate the type and price of affordable housing based on ability the low-income groups.

Methods

This paper utilises both primary and secondary data. The main sources of secondary data are based on various newspaper reports and relevant studies conducted in Sabah over time such as a research conducted in Kolej Yayasan Sabah etc. In addition to the secondary sources of information concerning home ownership in Sabah, primary data from data collection using questionnaire survey among youth age 15-30 years old are used. A total of 1068 questionnaires have been collected.

Findings and Argument

This paper maintains that main factors affecting housing affordability are income, price and location of the house, the pattern of household expenditure, loan interest rate, monthly installment and financial resources. In addition, these factors are also found contributive to buyer in their decision-making of purchasing a house. It is found that increases challenges in owning a house in Sabah. From the 1068 respondents, only 250 respondents stated they own a house, 702 respondents indicate not having any house while 116 respondents did not answer whether they own a house or otherwise. Hence, it is a strong indication that housing market is a significant development opportunity, as well as a great challenge especially to the youth in Sabah.

Conclusion and Recommendations

The overall results of the study revealed that the actual capability of house buyers in Sabah is still low as compared to the rapidity of price increases in the housing market. While home ownership

is an increasing challenge to the youth in Sabah, it is not an isolated case. In that, similar situations and trends showing limitations in owning a house are also found in other places nationwide and worldwide. While it is tempting to draw such conclusion based on some indications and evidences, a more focused comparative study is needed to be conducted. With the establishment of such further investigation, it is then capable to offer credible claims and useful comments in comparing home ownership situations among Malaysian youth across all different states and federal territories in Malaysia and around the world.

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