

The Relationship Between Housing Type, Housing Prices, and Strategic Location on Housing Affordability in Malaysia

Mohammad Mujaheed Hassan^{1*}, Muhammad Danish Asyhraf Shaharudin²
Nur Liana Zamani³

¹Department of Social & Development Sciences, Faculty of Human Ecology, Universiti Putra Malaysia, 43400 UPM Serdang, Selangor, Malaysia;
Malaysian Research Institute on Ageing (MyAgeing), Universiti Putra Malaysia, 43400 UPM Serdang, Selangor, Malaysia

Email: mujaheed@upm.edu.my

²Department of Social & Development Sciences, Faculty of Human Ecology, Universiti Putra Malaysia, 43400 UPM Serdang, Selangor, Malaysia

Email: danishasyhraf98@gmail.com

³Department of Management and Marketing, School of Business and Economic, Universiti Putra Malaysia, 43400 UPM Serdang, Selangor, Malaysia

Email: nurlianazamani@gmail.com

ABSTRACT

CORRESPONDING

AUTHOR (*):

Mohammad Mujaheed Hassan
(mujaheed@upm.edu.my)

KEYWORDS:

Housing affordability
Housing prices
Housing type
Strategic location
Public amenities
Housing market

CITATION:

Mohammad Mujaheed Hassan, Muhammad Danish Asyhraf Shaharudin, & Nur Liana Zamani. (2025). The Relationship Between Housing Type, Housing Prices, and Strategic Location on Housing Affordability in Malaysia. *Malaysian Journal of Social Sciences and Humanities (MJSSH)*, 10(8), e003570.
<https://doi.org/10.47405/mjssh.v10i8.3570>

The issue of housing affordability in Malaysia, particularly in Johor, has become increasingly critical due to rising housing prices and the imbalance between household income and market prices. This study assesses the factors of housing type, housing price (housing market and construction costs), and strategic location (neighbourhood and public amenities) on housing affordability. This study aims to identify the levels of housing type, housing price, and strategic location in relation to housing affordability and to analyse the relationship between these variables. The study employs a quantitative descriptive design using a questionnaire as the data collection instrument. A total of 385 respondents in Bandar Sri Alam, Pasir Gudang, were selected through simple random sampling. Data were analysed using descriptive statistics, Pearson correlation, and ANOVA. The levels of housing type, housing price, and strategic location were found to be high. A significant relationship was identified between housing type, housing price (housing market), and public amenities with housing affordability ($p < 0.01$). However, construction costs and neighbourhood factors did not show a significant relationship. Market price and public amenities play a crucial role in housing affordability, whereas construction costs and neighbourhood factors require further study. These findings suggest the need for housing strategies that focus on accessibility and economic stability to enhance housing affordability in Malaysia.

Contribution/Originality: This research offers a valuable contribution by examining the relationship between housing type, housing prices, and strategic location on affordability in Johor, Malaysia. Besides narrowing the gap in the housing affordability

literature, it is one of the first quantitative studies to focus on Bandar Sri Alam, Pasir Gudang. Therefore, this study adds to the limited empirical evidence on the role of market prices and public amenities in shaping housing accessibility in Malaysia.

1. Introduction

Housing affordability remains a critical issue in Malaysia's social and economic development. Homeownership is a fundamental goal for many Malaysians, particularly newly married couples, as it provides financial security, stability, and an improved quality of life. However, rapid economic growth and urban expansion have led to escalating housing prices, making homeownership increasingly unattainable for many citizens (Muzafar & Kunasekaran, 2021). The mismatch between rising property prices and slow wage growth has significantly impacted affordability, particularly in urban areas such as Johor.

The Household Income and Expenditure Survey in 2019 reported that the average household income in Malaysia was RM7,901, with a median of RM5,873 per month. Over the same period, average home prices nearly doubled, rising from RM158,000 in 2010 to RM295,000 in 2020 (Muzafar & Kunasekaran, 2021). However, wages grew at a much slower pace of just 5.5% annually, creating a widening affordability gap that has hit first-time homebuyers the hardest.

Housing affordability is influenced by multiple factors, including housing type, price (market price and construction costs), and strategic location (neighbourhood and public amenities) (Mariadas, 2016). In Johor, affordability concerns are exacerbated by an oversupply of luxury condominiums and high-end residential properties, which cater to higher-income groups, leaving limited options for middle- and lower-income households (Hung, 2020). Many urban families are therefore forced to rent instead of owning homes, further worsening the affordability crisis.

Government intervention, including affordable housing schemes, has attempted to bridge the affordability gap, but challenges remain. The Ministry of Finance Malaysia reported that the national housing price-to-income ratio stands at 4.1, making housing unaffordable relative to income (Muzafar & Kunasekaran, 2021). In Johor, data released by the Department of Statistics Malaysia in 2022 showed the figure to be 4.5, classifying the state as severely unaffordable. Additionally, a growing number of unsold properties—51,459 units valued at RM36.75 billion in the first quarter of 2019—further reflects a mismatch between supply and demand (Sani, 2019).

1.1. Problem Statement

Despite government efforts to improve housing accessibility, Malaysia continues to experience a severe housing affordability crisis. The rapid escalation of property prices, particularly in urban areas, has outpaced income growth, making homeownership increasingly unattainable for the middle- and lower-income groups (Muzafar & Kunasekaran, 2021). In Johor, luxury housing projects dominate the market, leaving limited affordable options.

In 2022, estimates drawing on Department of Statistics Malaysia income data suggest that Johor's housing price-to-income ratio was around 4.5, a level that classifies housing as

seriously unaffordable ([The Star Property, 2024](#); [iProperty, 2023](#)). This affordability gap has led to high unsold property rates, with Johor recording 76.46% of unsold residential properties and 99.7% of unsold SOHO units ([Sani, 2019](#)). The state government has attempted to tackle this crisis through affordable housing programs and policy interventions, yet the supply of affordable units remains insufficient to meet demand.

Existing literature highlights that housing affordability is influenced by multiple factors, including housing type, market price, and strategic location. However, research specifically addressing their combined impact on affordability in Johor remains limited. Understanding how these factors interact is crucial for developing effective housing policies and strategies to close the affordability gap. Thus, this study aims to fill this gap by examining the relationship between housing type, price, and location and their collective impact on affordability.

1.2. Research Questions

The research questions of this paper are:

- i. What are the levels of housing type, housing price (market price and construction costs), and strategic location (neighbourhood and public amenities) concerning housing affordability?
- ii. What is the relationship between housing type, housing price, and strategic location with housing affordability?

1.3. Research Objectives

To address the research problem and question, this study aims:

- i. To examine the levels of housing type, housing price (market price and construction costs), and strategic location (neighbourhood and public amenities) concerning housing affordability.
- ii. To analyse the relationship between housing type, housing price, and strategic location with housing affordability.

The significance of this study lies in its contribution to policy formulation and academic research. By assessing key housing factors, this study will provide insights for policymakers, urban planners, developers, and government agencies in ensuring accessible and affordable housing solutions. Additionally, this research will contribute to the academic literature on housing affordability, providing an updated empirical analysis, particularly in Johor.

2. Literature Review

2.1. Housing Affordability

Housing affordability refers to the ability of households to purchase or rent homes without excessive financial burden. Housing affordability is commonly assessed using the median multiple method, where a ratio of three or lower is considered affordable ([Khazanah Research Institute, 2015](#); [Muzafar & Kunasekaran, 2021](#)). While the Department of Statistics Malaysia does not report a house-price-to-income ratio per se, analyses combining DOSM's income data with property prices indicate that the median multiple had exceeded four reaching around 4.3× in 2022 placing Malaysia firmly in the “seriously unaffordable” category ([The Star Property, 2024](#); [iProperty, 2023](#)). Several

factors influence housing affordability, including income level, mortgage rates, construction costs, and government policies (Mariadas, 2016). In Johor, affordability concerns are further driven by high housing demand and limited affordable supply (Hung, 2020).

2.2. Housing Type and Affordability

Housing type is a key determinant of affordability. Different housing categories—low-cost, medium-cost, and high-end housing—offer varying levels of accessibility based on income groups (Zainon et al., 2017). Studies show that affordable housing projects often face challenges, including land scarcity, high construction costs, and policy inefficiencies (Hassan et al., 2021).

2.3. Housing Prices and Market Dynamics

Housing prices are influenced by market trends, supply-demand dynamics, and construction costs. A study by Zainon et al. (2017) found that rising housing prices directly impact affordability, reducing the ability of middle- and lower-income groups to own homes. Additionally, speculative market activities contribute to inflated property prices, further widening the affordability gap. However, some research suggests that construction costs do not significantly impact affordability, as land value and market speculation play a larger role (Hung, 2020).

2.4. Strategic Location and Housing Affordability

Strategic location significantly influences housing affordability. Properties in well-connected areas with public amenities—such as transportation hubs, schools, and healthcare facilities—tend to be more expensive but also more desirable (Hassan et al 2021). Studies indicate that homebuyers prioritize accessibility over neighbourhood characteristics when making purchasing decisions. A report by Muzafar and Kunasekaran (2021) suggests that higher satisfaction with location and public amenities improves housing affordability, as residents perceive these features as compensating for higher property prices.

2.5. Policy Implications and Government Interventions

The Malaysian government has implemented various affordable housing programs, such as PR1MA, Rumah Mampu Milik Johor (RMMJ), and the Special Johor Housing Program. However, implementation issues and supply-demand mismatches persist (Faizal, 2022). Policymakers must focus on streamlining regulations, increasing affordable housing supply, and improving financing schemes.

3. Research Methodology

3.1. Research Design

This study employs a quantitative research design with a descriptive approach to examine and explain the characteristics of the target population. Descriptive research enables a systematic analysis of relationships between key variables using numerical data. In this study, the relationships between housing type, housing price, and strategic location with

housing affordability in Bandar Sri Alam, Pasir Gudang, Johor, are investigated. A structured questionnaire serves as the primary data collection instrument.

3.2. Study Location and Population

Bandar Sri Alam, Pasir Gudang, Johor, was selected as the study location due to significant housing affordability challenges, primarily driven by rising property prices and the development of high-end real estate, such as condominiums. The study population consists of working residents in Bandar Sri Alam who are directly affected by housing affordability concerns.

3.3. Sampling Procedure

The sample size was determined using [Krejcie and Morgan's \(1970\)](#) table, which recommends a minimum of 381 respondents for a population of approximately 50,000 people. To ensure fair and representative selection, a simple random sampling technique was employed, granting each individual in the target population an equal probability of being chosen.

3.4. Data Collection Instrument

Data were collected through an online questionnaire administered via Google Forms. The questionnaire was structured into five sections:

- a) Section A: Respondents' demographic background
- b) Section B: Housing preferences
- c) Section C: Housing prices (market prices and construction costs)
- d) Section D: Strategic location (neighbourhood characteristics and public amenities)
- e) Section E: Housing affordability

Respondents provided their responses using a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire items were adapted from previously validated studies to ensure conceptual alignment with the study's objectives.

3.5. Pilot Study and Reliability Testing

A pilot study involving 30 respondents was conducted to assess the reliability and validity of the questionnaire. Cronbach's alpha was used to evaluate internal consistency, with all subdomains achieving values exceeding 0.7, indicating high reliability.

3.6. Data Analysis

The collected data were analysed using SPSS version 26, employing various statistical techniques to ensure a comprehensive evaluation of the study variables:

- i. Descriptive Analysis used to summarize respondents' demographic profiles and assess the overall levels of housing affordability, housing preferences, housing prices, and strategic location factors.
- ii. Cronbach's alpha was computed to assess internal consistency.
- iii. Skewness and kurtosis analyses were performed to evaluate the distribution of data and ensure normality.

- iv. Pearson Correlation Analysis was conducted to determine the strength and direction of relationships between housing type, housing price, strategic location, and housing affordability.
- v. ANOVA (Analysis of Variance) was applied to examine differences in housing affordability based on respondents' demographic characteristics, such as income level and housing preferences.

3.7. Study Limitations

This study focuses specifically on Bandar Sri Alam, Pasir Gudang, Johor, and therefore, its findings may not be generalizable to other locations. Additionally, since the questionnaire was administered online, the accuracy of responses depended on the honesty and attentiveness of the participants. Despite these limitations, the application of robust statistical techniques ensures reliable and meaningful insights into the relationships between housing type, housing price, strategic location, and housing affordability in the selected study area.

4. Findings

4.1. Housing Preferences

Table 1 presents the descriptive analysis of housing preferences, including housing type, location, and neighbourhood, for 385 respondents in Bandar Sri Alam, Pasir Gudang, Johor. The overall housing preference is at a moderately high level, with a mean score of 3.1820. Furthermore, as shown in Table 2, 194 respondents (50.4%) have high housing preferences, while 191 respondents (49.6%) have low housing preferences.

Table 1: Descriptive Analysis of Housing Preferences

Variable	Mean	SD	Min	Max
Housing Type	3.182	0.513	2.25	4.25

Table 2: Housing Preference Level (N=385)

Variable	n	%	Mean	SD	Min	Max
Housing Preference Level			3.182	0.513	2.25	4.25
High (3.00-5.00)	194	50.4				
Low (1.00-2.99)	191	49.6				

4.2. Housing Prices

Table 3 shows that both housing market and construction costs are at a high level, with mean scores of 3.7714 and 3.9013, respectively, for 385 respondents in Bandar Sri Alam, Pasir Gudang, Johor. Additionally, as shown in Table 4, 231 respondents (60%) have a high housing price level, while 154 respondents (40%) have a low housing price level, with a mean score of 3.8364. Moreover, 226 respondents (58.7%) have a high housing market level, whereas 159 respondents (41.3%) have a low housing market level. Regarding construction costs, 241 respondents (62.6%) indicate a high level, while 144 respondents (37.4%) report a low level of construction costs.

Table 3: Descriptive Analysis of Housing Prices

Variable	Mean	SD	Min	Max
Housing Market	3.771	0.508	2.60	4.60
Construction Costs	3.901	0.476	2.80	5.00

Table 4: Housing Price Level (N=385)

Variable	n	%	Mean	SD	Min	Max
Overall Housing Price Level			3.836	0.412	3.00	4.50
High (3.00-5.00)	231	60.0				
Low (1.00-2.99)	154	40.0				
Housing Market Level			3.771	0.508	2.60	4.60
High (3.00-5.00)	226	58.7				
Low (1.00-2.99)	159	41.3				
Construction Cost Level			3.901	0.476	2.80	5.00
High (3.00-5.00)	241	62.6				
Low (1.00-2.99)	144	37.4				

4.3. Strategic Location

Table 5 shows that both neighbourhood and public amenities are at a high level, with mean scores of 4.3091 and 4.1917, respectively, for 385 respondents in Bandar Sri Alam, Pasir Gudang, Johor. Furthermore, as presented in Table 6, 209 respondents (54.3%) perceive strategic location as highly important, while 176 respondents (45.7%) report low importance for strategic location. Moreover, 223 respondents (57.9%) rate neighbourhood at a high level, while 162 respondents (42.1%) consider it low. Similarly, for public amenities, 230 respondents (59.7%) consider them highly important, whereas 155 respondents (40.3%) rate them at a low level.

Table 5: Descriptive Analysis of Strategic Location

Variable	Mean	SD	Min	Max
Neighbourhood	4.309	0.397	3.60	5.00
Public Amenities	4.191	0.410	3.50	5.00

Table 6: Strategic Location Level (N=385)

Variable	n	%	Mean	SD	Min	Max
Overall Strategic Location			4.250	0.319	3.60	5.00
High (3.00-5.00)	209	54.3				
Low (1.00-2.99)	176	45.7				
Neighbourhood Level			4.309	0.397	3.60	5.00
High (3.00-5.00)	223	57.9				
Low (1.00-2.99)	162	42.1				
Public Amenities Level			4.191	0.410	3.50	5.00
High (3.00-5.00)	230	59.7				
Low (1.00-2.99)	155	40.3				

4.4. Housing Affordability

Table 7 presents the descriptive analysis of financial capability for housing affordability among 385 respondents in Bandar Sri Alam, Pasir Gudang, Johor. The findings indicate that housing affordability is at a high level, with a mean score of 3.5345.

Additionally, Table 8 shows that 261 respondents (67.8%) have high financial capability for housing affordability, while 124 respondents (32.2%) have low financial capability for owning a home. The results indicate that housing preferences, housing prices, strategic location, and financial capability are generally rated at a high level among respondents. However, some respondents still face affordability challenges, particularly in housing market prices and financial constraints. These findings provide crucial insights into the key factors influencing housing affordability in the study area.

Table 7: Descriptive Analysis of Housing Affordability

Variable	Mean	SD	Min	Max
Financial Capability	3.534	0.475	2.40	4.00

Table 8: Housing Affordability Level (N=385)

Variable	n	%	Mean	SD	Min	Max
Housing Affordability (Financial)			3.534	0.475	2.40	4.00
High (3.00-5.00)	261	67.8				
Low (1.00-2.33)	124	32.2				

4.5. Relationship Between Housing Type, Housing Price, Strategic Location, and Housing Affordability

Table 9 presents the Pearson correlation analysis conducted to determine the relationship between housing preferences and housing affordability among respondents in Bandar Sri Alam, Pasir Gudang, Johor. The analysis indicates a significant positive relationship ($r = 0.305$, $p < 0.05$) with a low strength of association. This suggests that housing preferences influence housing affordability, though the impact is relatively weak.

Table 9: Pearson Correlation Analysis Between Housing Preferences and Housing Affordability (N=385)

Variable	Housing Affordability	
Housing Preferences	Pearson Correlation (r)	0.305**
	Sig. (2-tailed)	0.000
	N	385

Note: Correlation is significant at the 0.01 level (2-tailed).

Table 10 presents the Pearson correlation analysis conducted to determine the relationship between housing prices, housing market, and construction costs with housing affordability among respondents in Bandar Sri Alam, Pasir Gudang, Johor. The correlation analysis for housing prices shows a significant positive relationship ($r = 0.222$, $p < 0.05$), though the strength of the relationship is negligible. This suggests that housing prices influence housing affordability, but the impact is minimal. Additionally, the correlation analysis for housing market prices indicates a significant positive relationship ($r = 0.311$, $p < 0.05$), though the relationship is weak. This suggests that market prices

play a role in housing affordability, but the influence is limited. Finally, the correlation analysis for construction costs shows no significant relationship ($r = 0.054$, $p > 0.05$), indicating that construction costs do not have a substantial impact on housing affordability in this study.

Table 10: Pearson Correlation Analysis Between Housing Prices (Housing Market and Construction Costs) and Housing Affordability (N=385)

Variable		Housing Affordability
Housing Price	Pearson Correlation (r)	0.222**
	Sig. (2-tailed)	0.000
	N	385
Housing Market	Pearson Correlation (r)	0.311**
	Sig. (2-tailed)	0.000
	N	385
Construction Costs	Pearson Correlation (r)	0.054
	Sig. (2-tailed)	0.293
	N	385

Note: Correlation is significant at the 0.01 level (2-tailed).

Table 11 presents the Pearson correlation analysis conducted to determine the relationship between strategic location (neighbourhood and public amenities) and housing affordability among respondents in Bandar Sri Alam, Pasir Gudang, Johor. The correlation analysis for strategic location indicates a significant positive relationship ($r = 0.464$, $p < 0.05$), though the strength of the relationship is weak. This suggests that strategic location plays a role in housing affordability, but its impact is relatively limited. Additionally, the correlation analysis for neighbourhood shows no significant relationship ($r = 0.095$, $p > 0.05$), indicating that neighbourhood factors do not have a substantial impact on housing affordability. Finally, the correlation analysis for public amenities reveals a significant positive relationship ($r = 0.630$, $p < 0.05$) with a moderate strength of association. This suggests that public amenities have a stronger influence on housing affordability compared to other factors in this study.

Table 11: Pearson Correlation Analysis Between Strategic Location (Neighbourhood and Public Amenities) and Housing Affordability (N=385)

Variable		Housing Affordability
Strategic Location	Pearson Correlation (r)	0.464**
	Sig. (2-tailed)	0.000
	N	385
Neighbourhood	Pearson Correlation (r)	0.095
	Sig. (2-tailed)	0.062
	N	385
Public Amenities	Pearson Correlation (r)	0.630**
	Sig. (2-tailed)	0.000
	N	385

Note: Correlation is significant at the 0.01 level (2-tailed).

The findings indicate that most variables assessed were at a high level, with significant relationships found between housing type, housing price (housing market), and strategic location (public amenities) with housing affordability. However, construction costs and neighbourhood factors did not show significant relationships. These results highlight the key factors influencing housing affordability in the study area and suggest that improving

public amenities and ensuring reasonable housing market prices could enhance housing accessibility.

5. Discussion

This section discusses the findings based on the research objectives, which are to determine the levels of housing type, housing prices (housing market and construction costs), and strategic location (neighbourhood and public amenities) in relation to housing affordability, as well as to analyse the relationships between these variables and housing affordability. The discussion integrates the study findings with previous literature and provides further explanations of key discoveries

5.1. Levels of Housing Type, Housing Prices, and Strategic Location in Relation to Housing Affordability

This study examines the relationship between housing type, housing prices (housing market and construction costs), and strategic location (neighbourhood characteristics and public amenities) in Bandar Sri Alam, Pasir Gudang, Johor. The findings indicate that these three factors are highly relevant in determining housing affordability in the area. Among them, housing type emerged as a key factor influencing home selection, with a mean score of 3.1820. This finding aligns with [Molin et al. \(1996\)](#), who suggested that housing choices reflect personal preferences, which are continuously shaped by evolving human behavioural dynamics in a changing society.

Housing prices were analysed based on two subdomains which are housing market value and construction costs. The findings reveal that construction costs (mean = 3.9013) are perceived as a more significant driver of rising house prices compared to market prices (mean = 3.7714). This supports the study by [Auyong et al. \(2018\)](#), which emphasized that housing prices are influenced by speculators, housing demand, land costs, construction materials, compliance costs, and housing characteristics. The high cost of construction directly impacts home affordability, as developers factor in these expenses, ultimately increasing property prices for buyers.

The study also assessed strategic location, focusing on two subdomains: neighbourhood characteristics and public amenities. The results indicate that neighbourhood factors (mean = 4.3091) play a more crucial role in determining home selection than public amenities (mean = 4.1917). This suggests that homebuyers prioritize safe, well-developed, and socially engaging communities over mere access to public facilities. [Durham \(2019\)](#) supports this view, arguing that people prefer to live in friendly neighbourhoods that promote social interaction rather than in environments where conflicts and disputes are common. While access to public amenities such as schools, hospitals, and commercial areas remains important, the preference for a strong community environment highlights the social aspect of housing decisions. A cohesive and secure neighbourhood fosters a sense of belonging and enhances residents' quality of life, making it a significant factor in housing selection.

When assessing the impact of housing type, housing prices, and strategic location on housing affordability, the findings reveal that strategic location (mean = 4.2504) has the most significant effect. This is followed by housing prices (mean = 3.8364) and housing type (mean = 3.1820). These findings align with [Baqutayan \(2016\)](#), who suggested that rising housing prices force homebuyers to compromise on either cost, housing quality, or

location. The strong influence of strategic location suggests that homebuyers are often willing to adjust their budget or housing preferences if a desirable location offers safety, social stability, and proximity to key amenities. This insight is particularly relevant for urban planners and policymakers, as it underscores the importance of developing well-planned residential areas that balance affordability with quality living conditions.

Housing affordability, the dependent variable in this study, measures respondents' financial capacity to purchase a home. The findings indicate that 67.8% of respondents ($n = 261$) reported high housing affordability, meaning a majority of the population can afford a home in Bandar Sri Alam. 32.2% of respondents ($n = 124$) experienced low housing affordability, highlighting that a significant portion still struggles with homeownership. These findings suggest that, while a majority of respondents can afford housing, a considerable percentage continues to face financial barriers. According to [Abdul Kadir et al. \(2020\)](#), housing affordability is influenced by several factors, including income levels, monthly financial commitments, family size, speculative buying, and housing supply. This study reinforces these insights, demonstrating that affordability disparities persist despite overall positive homeownership trends.

5.2. Relationship Between Housing Type, Housing Prices, Strategic Location, and Housing Affordability

The findings reveal a significant relationship between housing type and housing affordability ($p = 0.000$, $p < 0.05$), indicating that housing type plays a key role in determining affordability. This suggests that many respondents consider the type of house they choose as a priority when assessing their ability to afford a home.

Additionally, housing prices and market prices were found to have a significant relationship with housing affordability. This suggests that financial considerations are a primary factor when purchasing a home, as higher housing prices directly reduce affordability. [Zainon et al. \(2017\)](#) noted that the continuous rise in housing prices affects prospective buyers' ability to afford homes, which is a major concern for the housing market. Their study identified housing prices and the housing market as the most crucial factors influencing housing demand, compared to construction costs. Similarly, the findings of this study indicate that while market prices significantly impact affordability, construction costs do not show a significant relationship with housing affordability.

Furthermore, strategic location and public amenities were found to have a significant relationship with housing affordability. Respondents emphasized that a well-located house with access to public amenities is a major factor influencing homeownership decisions. The findings suggest that higher satisfaction with strategic location and public amenities increases housing affordability. According to the study findings, strategic location and public amenities were prioritized over neighbourhood factors when selecting a home. This implies that while respondents value accessibility to essential services, neighbourhood characteristics do not significantly affect their home-buying decisions.

6. Conclusion

This study aimed to assess the levels of housing type, housing prices, and strategic location in relation to housing affordability and to analyse the relationships between these variables and housing affordability. The findings indicate that housing type, housing

prices, and strategic location are all at a high level in the study area. Strategic location had the greatest impact on housing affordability, particularly public amenities, while housing prices and market prices were also influential factors. However, construction costs and neighbourhood factors did not show a significant relationship with housing affordability.

These findings provide critical insights into the key factors affecting housing affordability, particularly in urban areas such as Bandar Sri Alam. The emphasis on strategic location and housing market prices highlights the need for housing policies that prioritize affordability and accessibility. Future research should further investigate the role of neighbourhood characteristics and construction costs in housing affordability to develop a comprehensive understanding of the housing market in Malaysia. By strengthening housing policies that focus on the significant factors identified in this study, stakeholders can enhance housing accessibility for low- and middle-income groups, ensuring that more individuals can afford quality homes in strategic locations.

Ethics Approval and Consent to Participate

The researchers used the research ethics provided by the Research Ethics Committee of Universiti Putra Malaysia (JKEUPM). All procedures performed in this study involving human participants were conducted in accordance with the ethical standards of the institutional research committee.

Acknowledgement

Part of this article was extracted from a Final Year Project thesis submitted to Universiti Putra Malaysia, Selangor.

Funding

This research received full support from Geran Mini Penyelidikan MACFEA 2024, Persatuan Ekonomi Pengguna & Keluarga Malaysia (MACFEA) – 6300524/13201.

Conflict of Interest

The authors reported no conflicts of interest for this work and declare that there is no potential conflict of interest with respect to the research, authorship, or publication of this article.

References

- Abdul Kadir, J. M., Subramaniam, G., & Ghazali, I. (2020). Housing affordability among middle-income earners in Selangor, Malaysia. *Environment-Behaviour Proceedings Journal*, 5(15), 289–293. <https://doi.org/10.21834/ebpj.v5i15.2514>
- Auyong, H. N., Yip, C. Y., Woo, K. H., & Senadjki, A. (2018). The dynamics of housing prices in Malaysia: Findings from focus group discussions. *MATEC Web of Conferences*, 205, 05088.
- Baqtayan, S. (2014). The affordable housing stress among middle-income group. *IOSR Journal of Humanities and Social Science*, 19(7), 82–90. <http://iosrjournals.org/iosr-jhss/papers/Vol19-issue7/Version-4/N019748290.pdf>

- Durham, J. (2019). Creating a friendly neighbourhood. *Problem Neighbours*. <http://www.problemneighbours.co.uk/creating-a-friendly-neighbourhood.html>
- Faizal, M. (2022, April). 120,000 rumah mampu milik tidak dapat dibina di Johor. *Utusan Malaysia*. <https://www.utusan.com.my/nasional/2022/04/120000-rumah-mampu-milik-tidak-dapat-dibina-di-johor/>
- Hassan, M. M., Ahmad, N., & Hashim, A. H. (2021). Factors influencing housing purchase decision. *International Journal of Academic Research in Business and Social Sciences*, 11(7), 429–443. <https://doi.org/10.6007/IJARBS/v11-i7/10376>
- Hung, F. C. (2020). Housing affordability: The reality. *EdgeProp*. <https://www.edgeprop.my/content/1750043/housing-affordability-reality>
- iProperty. (2023, October 13). Are houses in Malaysia actually affordable? *iProperty.com.my*. <https://www.iproperty.com.my/property-insights/are-houses-in-malaysia-becoming-more-affordable-90162>
- Khazanah Research Institute. (2015). *Making housing affordable*. Khazanah Research Institute. https://www.krinstitute.org/Publications-@-Making_Housing_Affordable.aspx
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30(3), 607–610. <https://doi.org/10.1177/001316447003000308>
- Mariadas, P., Selvanathan, M., & Hong, T. (2016). A study on housing price in Klang Valley, Malaysia. *International Business Research*, 9(12), 59–66. <http://www.ccsenet.org/journal/index.php/ibr/article/view/64284>
- Molin, E., Oppewal, H., & Timmermans, H. (1996). Predicting consumer response to new housing: A stated choice experiment. *Netherlands Journal of Housing and the Built Environment*, 11(3), 297–311. <https://doi.org/10.1007/BF02496641>
- Muzafar, P. M. M., & Kunasekaran, T. (2021, June 15). *Median multiple affordability: Use and considerations*. Khazanah Research Institute. https://www.krinstitute.org/Views-%40-Median_Multiple_Affordability-%3B_Use_and_considerations.aspx
- Sani, M. S. M. (2019, July 2). Hartanah tidak terjual di Johor bernilai RM36.754 bilion. *Harian Metro*. <https://www.hmetro.com.my/mutakhir/2019/07/471314/hartanah-tidak-terjual-di-johor-bernilai-rm36754-bilion>
- The Star Property. (2024, October 11). Household income rising disproportionately with house prices. *The Star Property*. <https://www.starproperty.my/news/household-income-rising-disproportionately-with-house-prices/129763>
- Zainon, N., Mohd-Rahim, F., Sulaiman, S., Abd-Karim, S. B., & Hamzah, A. (2017). Factors affecting the demand of affordable housing among the middle-income groups in Klang Valley Malaysia. *Journal of Design and Built Environment*, 17(Special Issue 1), 1–10. <https://doi.org/10.22452/jdbe.sp2017no1.1>