

Examining Young Adults' Perceptions of Housing Affordability in Sibü, Sarawak

Thah Lieng Hin^{1*}, Wan Nor Azriyati Wan Abd Aziz², Toh Ming Liang³

¹School of Built Environment, University of Technology Sarawak, 96000 Sibü, Sarawak, Malaysia
Email: thahlienghin@uts.edu.my

²School of Built Environment, University of Technology Sarawak, 96000 Sibü, Sarawak, Malaysia
Email: azriyati@uts.edu.my

³School of Built Environment, University of Technology Sarawak, 96000 Sibü, Sarawak, Malaysia
Email: tohmingliang@uts.edu.my

ABSTRACT

Housing affordability remains a major barrier to homeownership among young adults. Although empirical research on this issue in semi-urban Malaysia is limited, this study seeks to fill that gap by examining young adults' perceptions of housing affordability in Sibü, Sarawak. It not only identifies the main affordability constraints but also evaluates how these relate to the perceived importance of homeownership. This study used a cross-sectional questionnaire survey involving 98 young adults in Sibü. The study analysed the data using descriptive statistics and Spearman's rank-order correlation. The findings show that the main financial barriers were high property prices (41.8%), a high cost of living (28.6%), and low wages (19.4%). Most respondents (74.5%) considered homeownership important or very important. Spearman's analysis showed a weak negative relationship between overall perceived housing affordability and the perceived importance of homeownership. However, the result was not statistically significant ($\rho = -0.123$, $p = 0.229$, $n = 98$). These findings provide useful insight into how young adults in semi-urban Sarawak perceive housing affordability. More importantly, they suggest that policy responses should not focus solely on housing prices. Equal attention needs to be given to the financial capacity of young adults, since affordability is shaped not only by the cost of housing itself, but also by their ability to manage that cost in practice.

CORRESPONDING AUTHOR (*):

Thah Lieng Hin
(thahlienghin@uts.edu.my)

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Contribution/Originality: This study contributes to the existing literature by providing empirical evidence on young adults' perceptions of housing affordability in Sibü, Sarawak, a semi-urban area that remains underrepresented in Malaysian housing studies. The paper's primary contribution is finding that affordability barriers do not necessarily reduce the perceived importance of homeownership.

1. Introduction

In Malaysia, housing is still widely seen as unaffordable, and this problem is felt even more strongly by young adults. Many are only just starting their working lives, so their financial position is often not yet stable. Lower income, limited savings, and weaker borrowing capacity therefore make it harder for them to qualify for housing loans and, ultimately, to purchase a home. While Malaysia has introduced a number of affordable housing (AH) programmes and housing policies, research evidence shows that affordability outcomes are affected by not just market conditions but also policy design, including targeting mechanisms, delivery systems and the alignment of housing supply to household financial capacity (Liu & Ong 2021; Ramli et al. 2024). In practice, affordability is not necessarily based on house prices but instead on whether the costs of living, debt, and financing allow people to achieve homeownership sustainably.

Recent studies carried out in Malaysia show that affordability pressures are still driven by the macro-economic and market environment in which they are situated. In this regard, specific aspects, such as inflation rates, affect purchasing power and the ability of people to save enough money to buy a house, as suggested by Musaddad et al. (2023). Paradoxically, the discourse on youth housing in Malaysia equally shows the constraints arising from aspects such as the rising costs of houses, affordability of houses in desirable locations, as well as a lack of understanding of, or access to, housing assistance programs targeting young people, as suggested by Arham et al. (2025). These findings also show that the concept of housing affordability in Malaysia ought to be viewed as a complex process, driven not only by affordability constraints but also by people's aspirations rather than as a function of house prices.

While the study on housing affordability in Malaysia has become comprehensive, the study has equally focused more on empirical findings in major urban centers in Malaysia, while there are fewer findings on semi-urban centers, which are equally important in understanding the dynamics of this concept in different environments, as suggested by Arham et al. (2025) and Ramli et al. (2024). This is because, unlike in urban centers, affordability constraints are likely to affect people in different ways, as they are likely to be driven by different wage structures, types of houses, as well as the usage of public transportation, as well as the usage of domestic support, as suggested by Arham et al. (2025).

This study examines Sibul, Sarawak, a semi-urban area where local economic conditions, housing supply, and household finances can influence how young adults perceive affordability and homeownership. Understanding the local context is therefore important toward interpreting housing perceptions beyond the experience of major metropolitan areas (Liu & Ong, 2021; Ramli et al., 2024). In this context, the current study examines key perceived constraints to housing affordability among young adults in Sibul and whether perceived housing affordability is significantly related to the perceived importance of homeownership. The study responds to two questions: (1) What are the most significant perceived affordability constraints among young adults in Sibul, Sarawak? and (2) Is perceived housing affordability significantly correlated to the perceived importance of homeownership? By answering these questions, the study offers location-relevant evidence that would inform more context-specific housing responses for young adults living in semi-urban Sarawak and helps address a gap in the literature on housing affordability in Malaysia, which has tended to focus on major urban areas.

2. Literature Review

Housing affordability generally refers to households' ability to obtain adequate housing without incurring excessive financial strain. Traditionally, the house-price-to-income ratio or the percentage of income spent on housing have been used to figure out how affordable something in life is. However, recent research show that these strategies are not enough because affordability is affected as more than just housing costs. Financing alternatives, household debt, living costs and general financial security are just a few of the things they make a big difference. In Malaysia this more enlarged viewpoint of affordability is especially pertinent, as it increasingly depends on the interplay between income, housing price and credit conditions rather than solely on housing price (Subramaniam et al., 2024; Musadi et al., 2023). Living costs, household debt and general financial stability are also important factors that affect the affordability of a house. This more enlarged perspective on houses affordability is specifically crucial in Malaysia. As housing prices no longer solely decide how affordable housing is in Malaysia. Instead, it is the relationship between income, housing prices and credit conditions that is now more crucial (Subramaniam et al., 2023). Young individuals have a hard time finding affordable houses as they are in the early phases of building up their income and assets. Young individuals frequently have less money saved, borrowing ability and work security than other households. As a result, they are more likely to wait before buying a property (Hamzah & Zyed, 2021; Arhar et al., 2025). Moreover, recent research in Malaysia shows that affordability is strongly related to perceived financial control and young adults' beliefs about their future homeownership opportunities (Arham et al., 2025). This implies that affordability in the housing market is not only related to the objective market situation but also encompasses perceived and actual experiences.

The various determinants of housing affordability are usually classified into three groups: financial capacity, market conditions, and financing accessibility. Financial capacity includes income, savings, and expenditure requirements. Market conditions include the price level of houses, the availability of houses, and the matching of houses with employment opportunities. Financing includes the ability to qualify for a loan and to pay it off, with financial literacy possibly influencing young people's decisions about housing and financial obligations (Sapiri et al., 2023). In the case of Malaysia, policy-oriented study findings suggest that affordable housing does not necessarily mean it is affordable, depending on the programme's effectiveness in reducing the affordability gap among target groups (Liu & Ong, 2021; Ramli et al., 2024).

However, the issue of market-related barriers still exists, especially for young adults. This is because, despite the availability of affordable housing schemes, homeownership can be challenging when the supply of housing does not match income levels and when housing is located far from employment centers and other desired locations. In addition, the use of financing-based strategies, such as longer loan durations, can increase access in the short term but does not resolve the underlying relationship between house prices and wage growth. This can increase the risk of long-term debt, especially for younger individuals (Subramaniam et al., 2024; Liu & Ong, 2021). This discussion has shown that the concept of housing affordability can be explained based on both cost-side and access-side pressures.

Despite affordability constraints, many young adults place a very high value on homeownership. This is because homeownership is often associated with concepts such

as stability, independence, security, and long-term asset accumulation. Moreover, substantial evidence from Malaysia indicates that financial and feasibility factors are critical in shaping young adults' decision-making regarding homeownership (Aziz et al., 2022). It is therefore evident that, despite affordability constraints, the value placed on homeownership remains unchanged. Rather, the young adult continues to value homeownership despite the difficulties in attaining it. It is essential to understand this concept because perceived affordability and perceived importance are conceptually distinct constructs. A young adult may perceive housing affordability as very low. However, the same person may still place high value on homeownership as a symbol of adulthood and security.

Although housing affordability has been widely discussed in the Malaysian context, the existing literature has concentrated largely on major urban centres. Much less attention has been given to semi-urban areas and secondary cities, where the nature of affordability pressures may not be the same. In places such as Sibul, the issue may be shaped by a different mix of income levels, housing costs, and local market conditions. At the same time, limited attention has been paid to how affordability in these settings influences the way young adults value or perceive homeownership. To address this gap, the present study focuses on Sibul, Sarawak, and examines the relationship between housing affordability and young adults' views on the importance of homeownership. On the basis of the literature reviewed, the following hypothesis was formulated:

H1: Perceived housing affordability is significantly associated with the perceived importance of homeownership among young adults in Sibul, Sarawak.

3. Methodology

A quantitative cross-sectional design was adopted in this study to examine perceptions of housing affordability among young adults in Sibul, Sarawak, while also considering how such perceptions relate to the importance attached to homeownership. Because the study centred on perceptions, financial difficulties, and personal values, questionnaire-based data collection was considered the most appropriate approach. It aligned well with the research aims and provided a practical way to gather responses from a targeted group.

Attention was directed specifically to young adults residing in Sibul, Sarawak. This group was chosen because the challenge of accessing affordable housing is often more pronounced at this stage of life, when income growth may still be limited, savings are not yet well established, and access to housing loans can be more difficult to secure.

To identify respondents who met the required criteria, purposive sampling was employed. Given that the study focused on a clearly defined population rather than the wider public, this non-probability sampling technique was considered suitable. For better reach, the questionnaire was distributed both online and at locations commonly frequented by young adults. In the initial stage, 100 responses were collected. For this study, young adults were defined as individuals aged between 20 and 39 years. Based on this definition, two respondents aged 40 and above were excluded from the dataset. As a result, the final analysis was carried out using 98 valid responses. The final sample was considered suitable for the purpose of this exploratory cross-sectional study. Since the analysis involved examining the association between two ordinal variables, the sample size was guided by the requirements for correlation analysis. Based on Cohen's guideline,

a sample of about 84 respondents is generally adequate to detect a medium effect size at a 5% significance level with 80% statistical power. The final sample of 98 respondents therefore exceeded this minimum requirement and was considered sufficient for the Spearman's rank-order correlation analysis used in this study.

The questionnaire consisted of two main sections. The first section collected respondents' demographic information. The second section examined housing affordability, perceptions of the housing market, views on government initiatives, and attitudes towards homeownership. Several questions focused on housing costs, loan commitments, and the main financial barriers to purchasing a home. These questions helped identify the factors that make housing unaffordable. One question asked respondents to rate the overall affordability of housing in Sibü. Another question asked respondents to indicate how important homeownership was to them. Most perception-based questions used a five-point scale. Some demographic questions used categorical responses.

The study used descriptive statistics and Spearman's rank-order correlation for data analysis. Descriptive statistics were used to identify the housing affordability constraints most frequently reported by young adults in Sibü. Spearman's correlation was then used to test the relationship between perceived housing affordability and the perceived importance of homeownership. This statistical technique was suitable because the variables were measured at an ordinal level and the analysis aimed to determine the direction and strength of association rather than the causal effect.

However, the methodology has some limitations that need to be considered. The study used a purposive sampling method that focused solely on the Sibü area. Therefore, the findings of this study cannot be generalized to all young people in Sarawak or Malaysia as a whole, as the study focused on a specific area of Sarawak.

4. Results and Discussion

This section presents the findings in relation to the research objectives as stated in the research objectives section. The first research objective was addressed using descriptive statistics to identify the major perceived affordability constraints among young adults in Sibü, Sarawak. The second research objective was investigated using Spearman's rank-order correlation to determine the relationship between perceived affordability and the perceived importance of homeownership. This aligns with the research focus on the young adult population in Sibü and the assessment of affordability perceptions and attitudes.

4.1. Respondent Profile

This section presents the demographic profile of the respondents. In this study, young adults are defined as individuals aged 20 to 39. This information shows that the sample represents the target population. This information also helps explain how the respondents perceive housing affordability.

Table 1 presents the demographic profile of the respondents. In this study, young adults are defined as individuals aged 20 to 39. After excluding two respondents aged 40 and above, the final sample consisted of 98 respondents. The largest age group was 25 to 29 years old (48.0%). The result shows that most respondents were in the younger

working-age group. Most respondents were employed full-time (78.6%). Most respondents were still living with their parents or other family members (51.0%) of the sample. This pattern is broadly consistent with the profile of the intended study group. At the same time, it explains how young adults in Sibul view housing affordability, as current living arrangements may shape both their financial experiences and their perceptions of the difficulty of owning a home.

Table 1: Respondent profile

Variable	Category	Frequency (n)	Percentage (%)
Age group	20 – 24 years	14	14.3
	25 – 29 years	47	48.0
	30 – 35 years	23	23.5
	35 – 39 years	14	14.3
Gender	Female	47	48.0
	Male	51	52.0
Employment Status	Full-time	77	78.6
	Part-time	2	2.0
	Self-employed	7	7.1
	Student	8	8.2
	Unemployed	4	4.1
Monthly Personal Income	Below RM2,500	33	33.7
	RM2,500 – RM4,999	33	33.7
	RM5,000 – RM7,499	20	20.4
	RM7,500 – RM9,999	8	8.2
	RM10,000 and above	4	4.1
Current Housing Situation	Living with parents/ family	50	51.0
	Owning with mortgage	21	21.4
	Owning without mortgage	1	1.0
	Renting	26	26.5

4.2. Perceived Financial Barriers to Homeownership Among Young Adults

Table 2 highlights the main financial barriers to homeownership among young adults in Sibul, Sarawak. High property prices emerged as the biggest challenge. A total of 41.8% of respondents selected this factor as their main barrier. The rising cost of living came next, accounting for 28.6% of responses. Low wages were also a notable issue. About 19.4% of respondents felt that limited income made it difficult for them to buy a home.

The other barriers were mentioned much less often. Only 6.1% of respondents pointed to high student loan debt as a major issue. This finding suggests that student debt was not a key concern for most respondents in this study. Mortgage financing was reported by just 2.0% of respondents. Another 2.0% mentioned other types of barriers.

Overall, the findings suggest that young adults in Sibul are more affected by wider economic pressures than by personal debt or financing issues alone. High house prices, rising living costs, and low income appear to be the main factors that limit their access to homeownership.

Table 2: Most frequently reported financial barriers to homeownership among young adults in Sibü, Sarawak

Financial Barrier	Frequency (n)	Percentage (%)
High property prices	41	41.8
High cost of living	28	28.6
Low wages	19	19.4
High student loan debt	6	6.1
Difficulty in obtaining mortgage loans	2	2.0
Other barriers	2	2.0
Total	98	100.0

The findings indicate that housing affordability challenges among young adults in Sibü are shaped by both market-related pressures and household financial constraints. Many respondents felt that high property prices had made housing less affordable in the local area. This finding is consistent with earlier studies. Previous research has shown that affordability problems often arise when house prices increase faster than income. The problem becomes more serious when the supply of affordable housing is limited. In that situation, young households have fewer realistic choices in the market. At the same time, the strong emphasis on rising living costs and low wages in this study shows that housing affordability is not only about house prices. For many young adults, affordability is closely linked to their overall financial situation. Their financial position affects whether they can cover daily living expenses. It also affects whether they can save for a down payment. In addition, it influences whether they can manage future housing repayments over time.

These findings are particularly meaningful in the context of Sibü as a semi-urban growth centre. Much of the Malaysian literature on housing affordability has focused on major urban areas. These studies often assume that housing pressures are most severe in such settings. However, the present study indicates that homeownership challenges are also significant in Sibü. In a semi-urban setting such as Sibü, housing affordability may be influenced by a different set of conditions. These conditions include local wage levels, the availability of suitable housing supply, and the economic opportunities available to young adults. The findings therefore present a more layered understanding of housing affordability. Housing affordability is not merely a question of house prices. It is also shaped by the interaction between housing costs, income capacity, and everyday financial realities.

4.3. Perceived Importance of Homeownership

This section presents the responses of young adults in Sibü, Sarawak, to questions on the importance of homeownership.

Table 3: Perceived importance of homeownership among young adults in Sibü, Sarawak.

Response category	Frequency (n)	Valid Percent (%)
Not important at all	3	3.1
Not important	8	8.2
Neutral	14	14.3
Important	24	24.5
Very important	49	50.0
Total	98	100.0

The results suggest that homeownership still matters greatly to young adults in the study area. This is evident in the responses, where 50.0% rated it as very important, and another 24.5% rated it as important. In other words, nearly three-quarters of the respondents, or 74.5%, held a positive view of homeownership. Neutral responses accounted for 14.3%, while only a relatively small share considered it unimportant. More specifically, 8.2% selected not important, and 3.1% selected not important at all. Even with clear financial barriers, homeownership remains an important aspiration for many of these young adults. Even though financial constraints may prevent buying a house, homeownership still appears to matter greatly to these respondents. This finding is in line with Aziz et al. (2022), which similarly showed that young adults in Malaysia continued to place importance on owning a home despite such constraints.

4.4. Relationship Between Overall Perceived Housing Affordability and Perceived Importance of Homeownership

This study employed Spearman's rank-order correlation to fulfil the second research objective. The investigation investigated the existence of a substantial correlation between young adults' perceptions of housing affordability and the value they attributed to owning in Sibul, Sarawak. The study assessed overall home affordability utilising a single-item scale. The study also used a single-item scale to find out how important it is to own a property. Table 4 shows a weak negative relationship between the two variables ($\rho = -0.123$, $p = 0.229$, $n = 98$). However, the relationship was not statistically significant.

Table 4: Spearman's rank-order correlation between overall perceived housing affordability and perceived importance of homeownership among young adults in Sibul, Sarawak

Variables	Spearman's rho (ρ)	p-value	n
Perceived housing affordability and perceived importance of homeownership	-0.123	0.229	98

The findings show that overall perceived housing affordability was not significantly related to the perceived importance of homeownership among young adults in Sibul. Although the relationship was negative, its strength was weak and the p-value was not significant. This result suggests that perceptions of affordability were not strongly linked to how much importance respondents placed on owning a home.

One possible reason is that young adults continue to value homeownership, even when they perceive housing in Sibul as unaffordable. This suggests that affordability may not strongly influence how important homeownership is to them. Another possible explanation is that the aspiration to own a home is influenced more strongly by other factors. For many young adults, homeownership is valued for more than affordability alone. Its importance may also come from other factors, such as a desire for long-term security, personal hopes for the future, family influence, and the meaning society often attaches to owning a home. In some situations, these considerations may matter more than affordability itself.

The findings suggest that young adults do not judge the importance of homeownership purely in financial terms. Although respondents identified several major barriers,

particularly high property prices, the rising cost of living, and low wages, none of these showed a statistically significant relationship with the importance they attached to homeownership. What this seems to indicate is that affordability constraints may affect the practical ability to buy a house more directly than the underlying desire to become a homeowner.

An important distinction, therefore, emerges between access to housing and the aspiration towards homeownership. Many young adults in Sibü continue to face clear affordability challenges, yet the desire to own a home remains relatively strong. Homeownership, in other words, is still regarded as highly important despite the financial obstacles involved. From a policy perspective, this points to the need for measures that go beyond acknowledging affordability problems in general. Greater attention should be given to narrowing the gap between housing costs and young adults' actual financial capacity. Some of these measures might include programmes for affordable housing, income-based support, and easier access to housing and financial help. The results also suggest that stronger affordability policies are more likely to help young adults purchase homes than to change their valuation of homeownership. Therefore, H1 was not supported.

5. Conclusion

This study examined how young adults in Sibü, Sarawak perceive housing affordability. The study also explored whether these perceptions were related to the importance of homeownership among young adults. The respondents identified high property prices, a high cost of living, and low wages as the main financial barriers. These findings indicate that young individuals encounter housing affordability issues not only due to housing expenses but also of overarching financial demands that impede their capacity to own property.

Homeownership remains highly valued among young adults in Sibü. Most respondents rated homeownership as important or very important. Spearman's rank-order correlation analysis showed a weak negative relationship between overall perceived housing affordability and the perceived importance of homeownership. The relationship, however, was not statistically significant. This result indicates that, within this sample, perceptions of housing affordability were not significantly related to how strongly young adults valued homeownership. Therefore, young adults may continue to see homeownership as an important goal regardless of whether they perceive housing as affordable.

This study contributes to the existing literature by providing evidence from a semi-urban area in Malaysia that has received limited research attention. The findings show that young adults face affordability barriers not only in major cities, but also in secondary growth centres such as Sibü. The findings also suggest that affordability barriers and the desire to own a home are separate issues. Although young adults face financial difficulties in buying homes, these challenges do not appear to reduce the importance they attach to homeownership.

This study has several limitations. The study focused on only one location. The study also used purposive sampling and involved a relatively small sample size. For these reasons, the findings should be interpreted with caution and should not be generalised to other settings. Future research could examine more districts in Sarawak or compare

semi-urban and urban areas. This research could provide a broader understanding of housing affordability and homeownership aspirations among young adults in Malaysia.

Ethics Approval and Consent to Participate

This study involved a questionnaire survey with voluntary participation. Respondents were informed of the purpose of the study before completing the questionnaire, and their participation was taken as consent. All responses were kept confidential and used only for academic research purposes.

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Conflict of Interest

The authors declare that there is no conflict of interest regarding the research, authorship, or publication of this article.

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