

*The Disparities
Between B 40 and
M 40 On the
Restrains in Order
Possessing a House
in the State of
Selangor*

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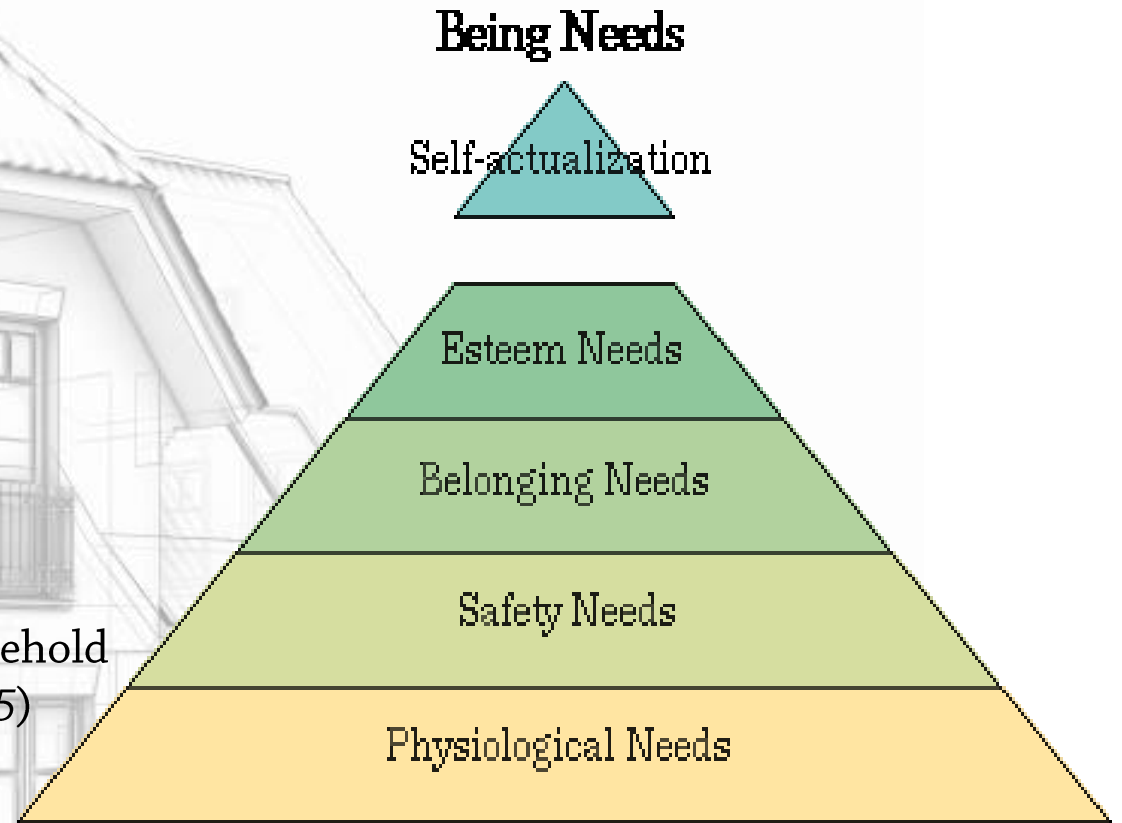
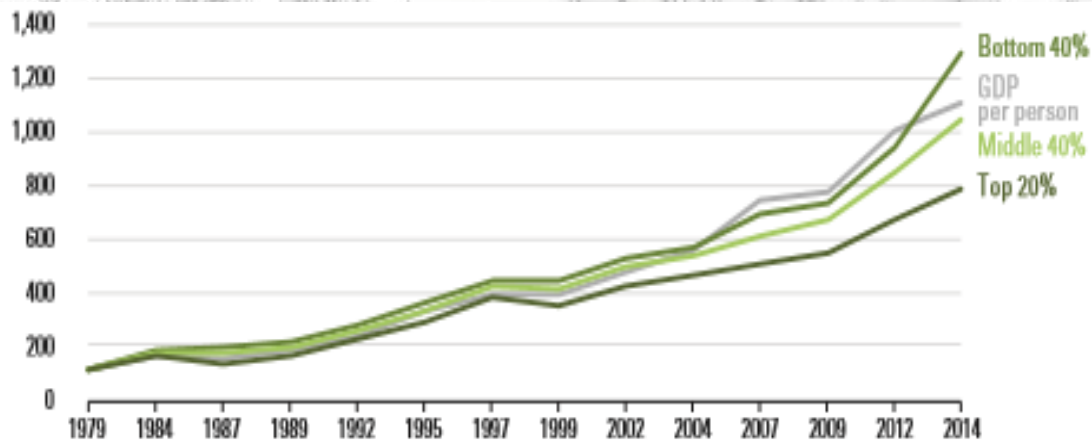


Introduction

- Shelter is very important for human due to keep people from harm, give people a feeling of well-being and boost their will to live (Sandra Marker, 2003).
- Level of Income (*Economic Report 2015/ 2016*)

Level of Income	Income Range
B 40	RM 3, 900 and below
M 40	RM 3, 901- RM 8,300
T 20	RM 8,301 and above

- Index of nominal GDP per person and nominal average household income, 1979-2014 (*Khazanah Research Institute Report, 2015*)

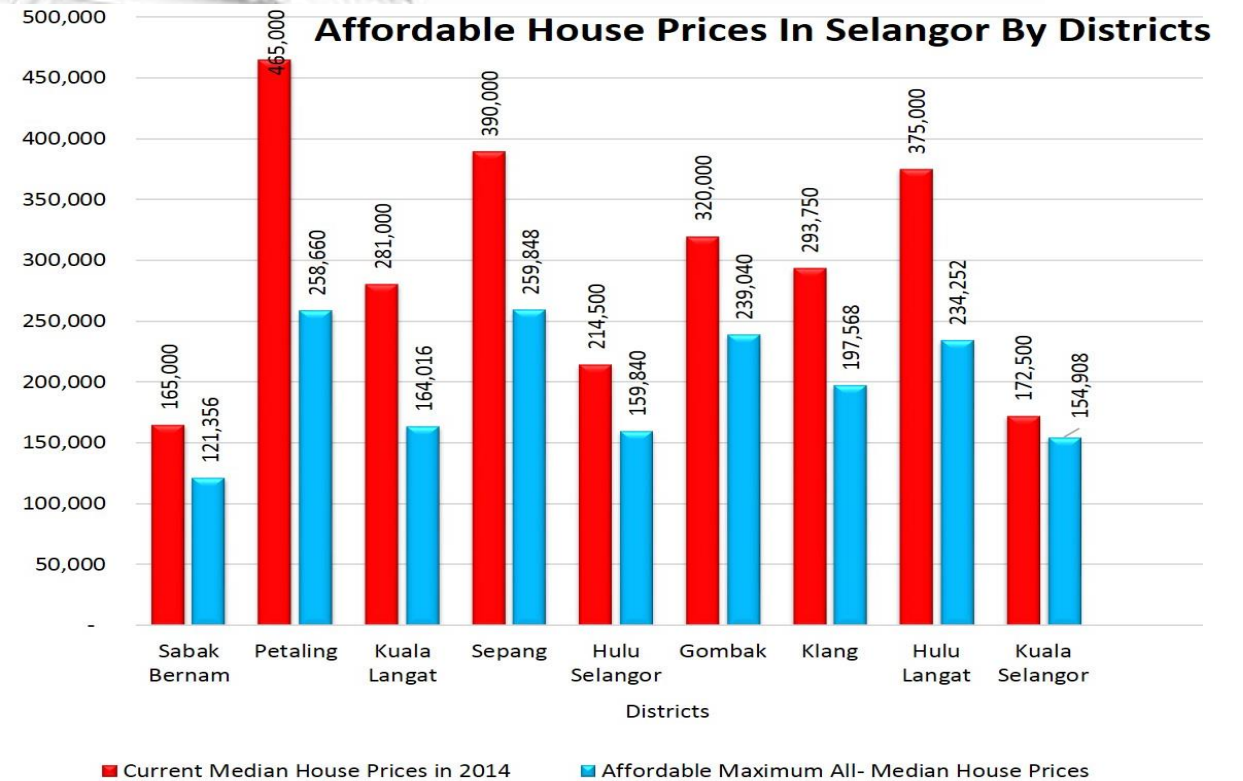


Sources: Maslow Hierarchy of Needs, 1943

Research Questions

What is the main reason among the group of B40 and M40 living in Selangor who were still have a problem on buying a property?

What is the range of the price of the house that can be afford to buy by the group of B40 and M40 in Selangor?

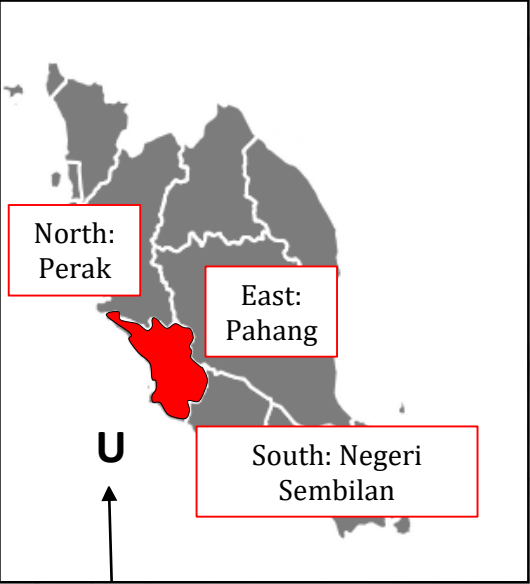


Research Objectives

- To identify the obstacles faces by the group B40 and M40 in buying a house
- To analyses the affordable house price expected by the residents
- To provide recommendations on issues of housing affordability in Selangor

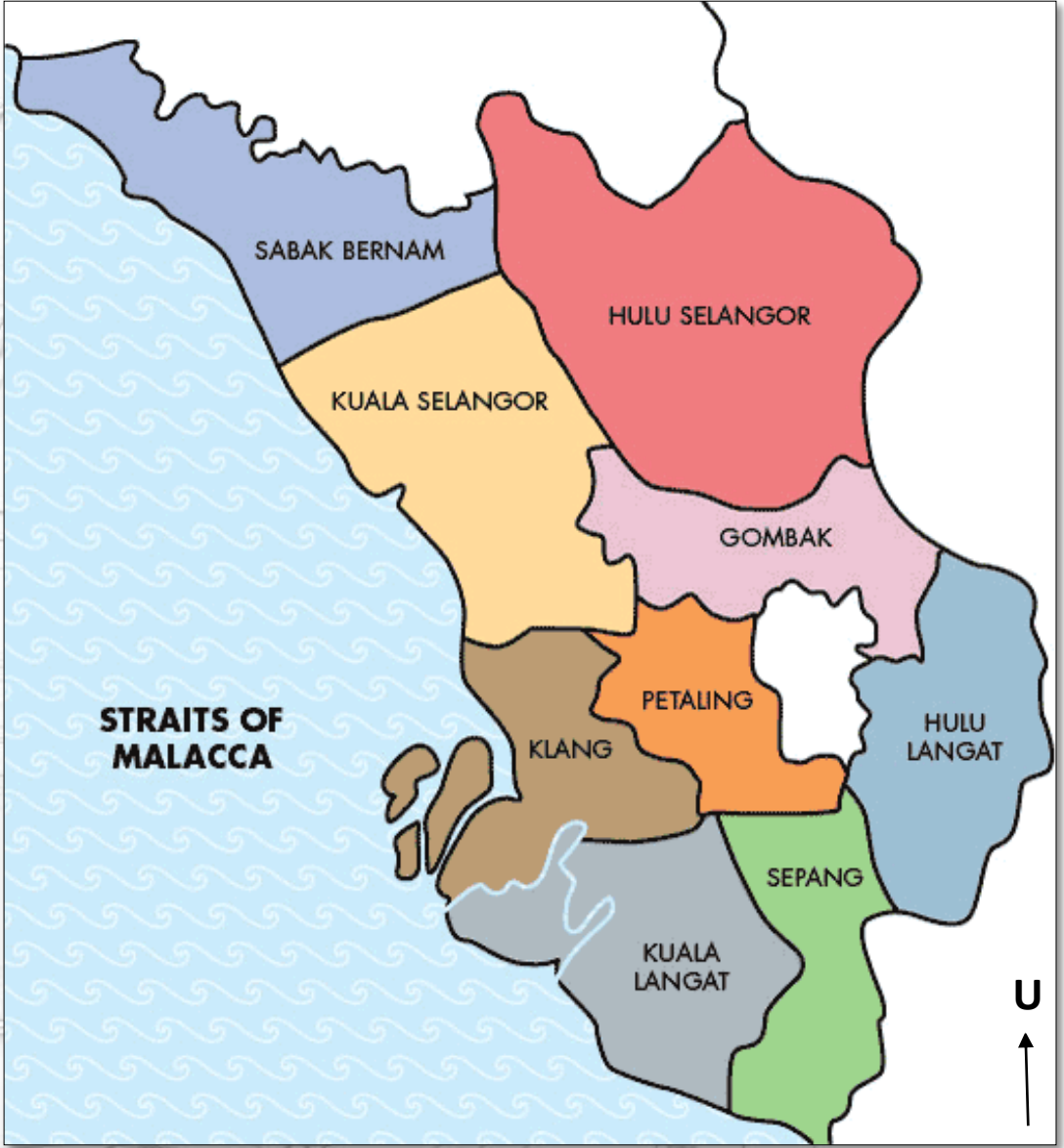
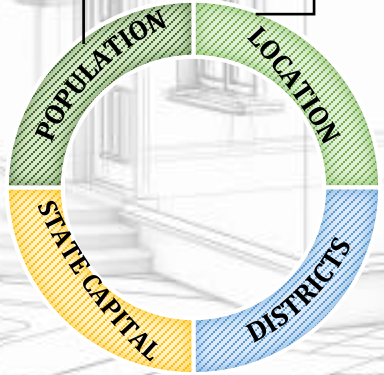


Study Area



6.3 million
(Department of statistic, 2016)

West Coast of Malaysia



Source: Selangor.gov.my

Methodology

- Data Collection
 - Primary data
 - Secondary data
- Sample Size = 500 respondents

$$n = \frac{N}{1 + N(e)^2}$$

n – the sample size

N - the population size

e - the acceptable sampling error

Source: Taro Yamane, 1973

- Type Of Analysis
 - Descriptive
 - Graphical Analysis



Questionnaire Survey

Interview the respondents regarding the housing affordability



Findings and Analysis

Respondent's Profile

Categories	Frequency	Percentage (%)
Sex		
Male	277	55.4
Female	223	44.6
Age		
20 and below	3	0.6
21 – 30	224	45.8
31 – 40	177	36
41 – 50	57	10.1
51 – 60	27	5.0
61 – 70	8	1.7
71 and above	4	0.8
Sector of Work		
Government	70	14.0
Private	251	50.2
Working Individually	134	26.8
Unemployed	45	9.0
Level of Income		
B 40	231	46.2
M 40	207	41.4
T 20	62	12.4

Respondent's Economic Capacity

Categories	Percentage	
Number of Working Household		
	B 40	M 40
0-2	52	27.4
3-4	23.6	49.3
5 and above	24.4	23.3
Number of Household		
	B 40	M 40
0-2	29.7	23.8
3-4	46.8	33.2
5 and above	23.5	43

Findings and Analysis

The Restraints of Not Buying Property by B40

	Mean	Rank
House Price is Expensive	1.6	1
Other Commitments Towards Bank Loan	3.46	4
High Monthly Expenses	2.64	3
Not Eligible for housing Loans	2.54	2
Backlisted for Applying Loan	4.76	5

The Restraints of Not Buying Property by M40

	Mean	Rank
House Price is Expensive	1.9	2
Other Commitments Towards Bank Loan	3.42	3
High Monthly Expenses	1.67	1
Not Eligible for housing Loans	3.57	4
Backlisted for Applying Loan	4.45	5

Findings and Analysis

Expected affordable housing price

Districts	Median House Price Expected by B 40 (RM)	Median House Price Expected by M 40 (RM)	Affordable Maximum Median House Price Based on Housing Affordability Index Ratio of 3.0 (RM)
Petaling	200,000	210,000	258,660
Kuala Langat	110,000	160,000	164,016
Hulu Langat	120,000	200,000	234,252
Klang	★ 200,000	★ 200,000	197,568
Sepang	200,000	★ 280,000	259,848
Sabak Bernam	★ 200,000	★ 190,000	121,356
Gombak	200,000	200,000	239,040
Hulu Selangor	★ 160,000	★ 200,000	159,840
Kuala Selangor	★ 200,000	★ 250,000	154,908

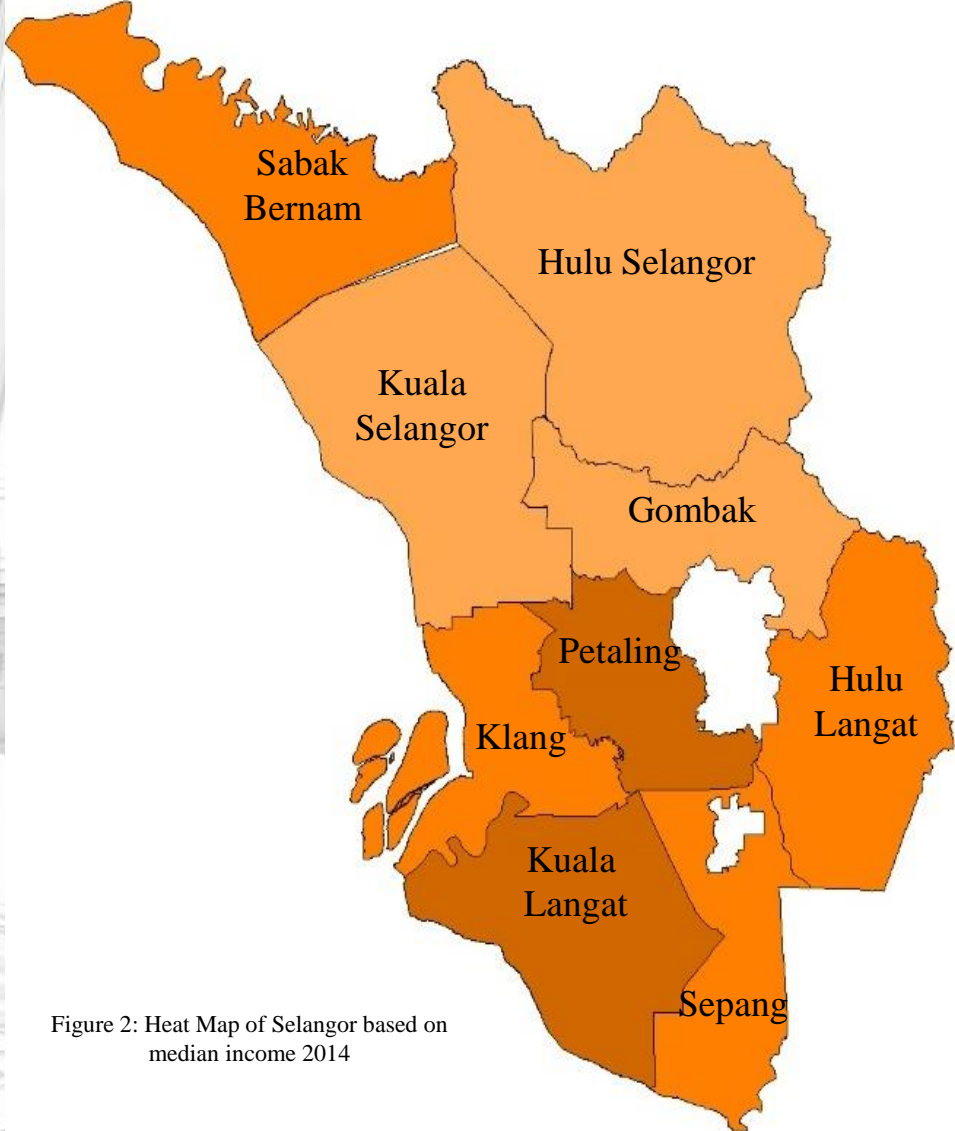
★ The expected house price by B 40 and M 40 beyond house price by median multiple 3



State of Selangor



Findings and Analysis



LEGEND

- Severely Unaffordable (5.1 & above)
- Seriously Unaffordable (4.1 – 5.0)
- Moderately Unaffordable (3.1 – 4.0)
- Affordable (3.0 & Below)

Source: Household Income Survey (2014), NAPIC (2014), Author's calculation, 2017

Figure 2: Heat Map of Selangor based on median income 2014

Conclusion and Recommendation

- The main reason still did not buying a house
 - B40 - Excessiveness of the house price
 - M40 - The high monthly expenditure
- Based on the calculation of median multiple 3 the house price in urban areas are higher as compared to the rural area.
 - B40 and M40 group faces difficulty to buy a house especially in urban area
- Determination of affordable housing prices should be decided by the states and based on the income of the local people
- Developer should not be exceeding over the ceiling price of the house in order to help B40 and M40 group
- Reduce the income eligibility in Selangor housing policy



Thank You

