A Study on Affordable Housing Issues Among Middle-Income Groups (M40) in Malaysia

Muhammad Azwan Sulaiman[1], Adilah Binti Yusof[2], Muhammad Nazim Alias[3] and Mohamad Isa Abdullah[4]

[1,2,3,4] *Faculty of Architecture, Planning & Survey,*
Universiti Teknologi MARA

Email: azwan@uitm.edu.my[1], adilahyusof@yahoo.com[2],
nazim@uitm.edu.my[3], isa006@uitm.edu.my[4]

ABSTRACT

Owning a house is an essential part of a human's fundamental needs. The establishment of affordable housing that is adequate in number and fulfils liveable home standards is the major challenge in housing issues. Previous studies have found that the current interventions are insufficient in allowing average Malaysians to buy a home. The affordable housing-related issues that arise in Malaysia are not about the number of affordable houses in the market; however, it is about the availability of these houses for the middle-income groups. This study aims to investigate the issues and challenges faced by the middle-income group in dealing with affordable housing issues. This study is based on data from a survey questionnaire adapted from a past research which was similar in terms of affordable housing issues among middle-income earners. The data were analyzed and evaluated to rank the issues and provide recommendations. The findings suggest the establishment of an affordable housing agency to track and process affordable housing applications and approvals. The study results also suggest revising and improving the current affordable housing systems to help the middle-income groups to eventually own their first home. It is anticipated that the study can unravel the problems with affordable housing in this country.

1.0 INTRODUCTION

Owning a house is an essential part of a human's fundamental needs. Houses act as a shelter providing security and protection for the inhabitants. A house is a place where people gather, connect, cherish, and communicate that then creates a positive surrounding. There is a wide range of residential properties in the property market today with various unique designs that could cater to consumer's preferences and lifestyle. Buyers could choose from the simplest of design to the most luxurious houses there is. However, the issues with average Malaysians not being able to afford buying properties is very disturbing, even though when the properties are categorized as "affordable".

This study focuses on the Middle 40% or M40 of the Malaysian population income group. The M40 group is the middle 40% with household income from RM4,360 to RM9,619 a month (Khazanah Research Institute, 2018). The middle-income people are caught in what is called the middle-income community trap. This is because they are not eligible for low-cost housing and are unable to afford the medium-cost projects which are claimed to be 'affordable' (Wai, 2019). Despite the numerous government initiatives in terms of housing programmes and schemes that have been introduced to support home buyers for the first time, most ordinary Malaysians still could not afford to buy such homes. Problems arise when most of the houses under this programme are priced skewing towards the higher end of the price range.

1.2 Problem Statement

Housing matters are deeply rooted and strongly related to a country's economic, political and social sphere, which makes it difficult to discuss without being linked to the broader governance and policies (Samad, Zainon, Rahim, & Luo, 2017). Despite its significance, the establishment of affordable housing that is adequate in number and has liveable home standards are the major challenge in housing issues (Baqutaya et al., 2016). Housing is fast becoming unachievable for the middle-income group, especially in urban areas, due to rising costs from the global economic crisis (PR1MA, 2012). Khazanah Research Institute (2014) stated that the current interventions are insufficient in allowing average Malaysians to buy a home. Lots of factors could be the reasons why this income group relentlessly face the housing affordability issues. One is largely due to slower income growth, where household income growth has failed to keep up with the rise in the prices of houses, as according to Ling et al. (2017) in BNM Quarterly Bulletin 2017.

1.3 Research Objectives

The first objective of the study is to identify the issues and challenges related to housing affordability faced by middle-income groups. Secondly, it is to analyze the housing affordability issues within the existing implementation of affordable housing programmes, and third to propose enhancements in the existing affordable housing programmes.

1.4 Research Scope

The research focuses only on the middle-income groups within the Putrajaya Federal Territory (WP Putrajaya) as it was only carried out in WP Putrajaya. The limitation of this study is that it only focuses on middle-income groups in WP Putrajaya, instead of the whole middle-income group population in the nation. Thus, the generalization and findings made from this study are only based on the middle-income groups of WP Putrajaya.

2.0 LITERATURE REVIEW

2.1 Middle-Income Group

Nationally, the M40 group is the middle 40% of Malaysian population with household income from RM4,360 to RM9,619 a month (Khazanah Research Institute, 2018). In 2016, the median household income for the M40 group in Malaysia was RM6,275 and the average household income was RM6,502 making all groups in Malaysia own an income share of 37.4 percent of total income in the M40 group (Department of Statistics Malaysia, 2016). The middle-income earners usually have more diverse earnings profiles compared to the low-income group, hence faced with different affordability issues (PR1MA, 2012).

This income group faces various problems with the increasing cost of living. This is because most of the government's initiatives are directed at the low-income community so that the middle-income community is not given adequate attention (Suhaida, Tawil, Hamzah, Che Ani, & Tahir, 2010). The middle-income people are caught in what is called the middle-income community trap. This is because they are not eligible for low-cost housing and are unable to afford the medium-cost housing that is so-called 'affordable.' Many in the M40 community who are young families are often unable to afford a 'middle-class' home near and close to their place of work (Wai, 2019).

2.2 Housing Affordability

Housing affordability is characterized as a household 's decision between housing and non-housing expenditure which would also reflect a household balancing act (Suhaida et al., 2010). Housing affordability is commonly seen as the relation between the cost of housing and income (Nwuba, Kalu, & Umeh, 2015). This, however, has become a problem and an issue where most people could not afford to buy their first homes. The existing housing market does not meet middle-income housing needs (PR1MA, 2012). Housing affordability is the function of both income and house prices (Khazanah Research Institute, 2015) and also one of the key factors that describe the development and socioeconomic stability of a country (Suhaida et al., 2010). Khazanah Research Institute (2014) stated that affordable housing should cost three times the annual median income, and in the median income term, Malaysian houses are more expensive than those in Singapore and Ireland. Higher-income levels are needed among the nation to decrease the median multiple at such housing prices (PR1MA, 2012).

The disparity between housing supply and demand is also one of the main factors that contribute to housing unaffordability. The supply-demand imbalances worsened during the 2012-2014 period (Ling & Almeida, 2017). One explanation why most of the new properties in Kuala Lumpur remain affordable is the lack of responsiveness of housing supply to significant demand (Khazanah Research Institute, 2015).

2.3 Government Intervention

The 11th Malaysia Plan by Economic Planning Unit (EPU) (2015) outlined the targeted total unit of 63,000 affordable housing to be constructed during the period of the Plan (2016-2020). That means an average of 130,000 units per year of the Plan period. Economic Planning Unit (EPU) (2015), also outlined in the 11th Malaysia Plan, there is a need in continuing the Government's position in addressing the housing needs of the target groups by the implementation of ongoing programmes.

Government interventions in the housing industry could resolve the mismatch in housing demand and supply (PR1MA, 2012). These programmes include Perumahan Rakyat 1Malaysia (PR1MA) or 1Malaysia People's Housing Programme, Rumah Wilayah Persekutuan (RUMAWIP) or Federal Territories Housing Scheme, and Perumahan Penjawat Awam Malaysia (PPAM) or Civil Servant Housing Development, as well as financing schemes such as Skim Rumah

Pertamaku (SRP) or My First Home Scheme, MyHome and Special PR1MA End Financing (SPEF).

Housing sector interventions were more on the demand side by making housing financing cheaper or by providing incentives to home buyers, and on the supply side by subsidizing housing costs (Khazanah Research Institute, 2015). The solutions offered by the government through government interventions need to cater to the vagaries in the market segments within the middle-income group by targeting the initiatives towards different areas of problems (PR1MA, 2012).

3.0 RESEARCH METHODOLOGY

3.1 Research Approach

This study adopted the quantitative approach in gathering quantifiable data and performing statistical techniques. Information was collected from random respondents using sampling methods and questionnaires were sent out. A survey was conducted to identify the current issues of affordable housing among middle-income groups.

3.2 Location of Data Collection

The questionnaire survey of this study was only distributed online due to the recent pandemic of COVID-19 and the order from the Government on the enforcement of the Movement Control Order (MCO). Thus, the researcher opted to distribute the questionnaires to a sample of respondents from a few companies' WhatsApp group including the Public Sector Home Financing Board (LPPSA), Malaysia Rail Link Sdn Bhd (MRL), and Malaysian Administrative Modernizations and Management Planning Unit (MAMPU).

3.3 Sampling Design

The sampling method used in this study was the probability sampling method which is random sampling. The population for this study was estimated to be 320 individuals. The sample size of respondents for this study was 175. It is determined using the Krejcie and Morgan (1970) sample size determination table.

3.4 Pilot Test

For the pilot test, ten subjects were asked to answer the questionnaire survey to ensure the questionnaire items were accurately addressing the research questions. Data collected from these 10 subjects were directly entered into the SPSS software for a descriptive analysis. The reliability of the instrument was measured using Cronbach's Alpha as it tests the reliability of multiple-questions Likert scale surveys. A value of 0.84 and 0.56 was obtained based on the two groups of items in the questionnaire survey.

4.0 DATA ANALYSIS AND FINDINGS

The questionnaire survey forms were distributed to a sample of 175 persons with a total of 171 responses received during the period of data collection which was approximately 4 weeks. From the 171 responses received, only 86 responses were valid and acceptable for analysis using the Social Science Statistical Package (SPSS). This is because only 86 respondents were in the M40 group as defined by Khazanah Research Institute (2018).

Part A: Respondents' Profile

Table 4.1: Items of respondents' profile

Item	Mode	Percentage
Age	35-44 years old	45.3
Gender	Female	51.2
Ethnic	Malay	84.9
Marital Status	Married	75.6
Education Level	Bachelor's Degree	47.7

Based on Table 4.1, the majority of the respondents were aged between 35 to 44 years old (45.3%), females (51.2%), of Malay ethnicity (84.9%), married (75.6%) and had bachelor's degree (47.7%).

Part B: Employment Background

Table 4.2: Items of respondents' employment background

Item	Mode	Percentage
Occupation	Public sector	68.6
Gross Salary	RM3,000-RM4,000	18.6
Working Experience	11-15 years	24.4

Based on Table 4.2, the majority of the respondents were from the public sector (68.6%), earning gross monthly salary of RM3,000-RM4,000 (18.6%) and 24.4% have had working experience for 11-15 years.

Part C: Household Income – Spouses

Table 4.3: Items of respondents' spouses

Item	Mode	Percentage
Working Spouse	Yes	78.9
Education Level	Bachelor's Degree	45.1
Occupation	Public Sector	35.7
Gross Salary	RM2,000-RM3,000	22.1

From the total 86 respondents, 71 were married. Table 4.3 shows 78.9% of the respondents' spouse worked, 45.1% had bachelor's degree, 35.7% were working in the public sector and 22.1% earned gross monthly salary of RM2,000-RM3,000.

Part D: Issues and challenges of affordable housing

Table 4.4: Items on housing affordability

Housing Affordability	Mean
The current house prices are expensive for me to purchase [HA3]	4.57
I believe urbanization is attributable to the rising house price [HA5]	4.27
The current housing industry does not provide for the housing needs of the M40 group [HA6]	4.19
Houses are not affordable if I pay more than 30% of my income to purchase a house [HA7]	4.19
My problem in purchasing a house is inadequate income [HA1]	4.10
Houses are not affordable because of my financial commitments [HA8]	4.05

There are limited number of affordable housing choices in the housing market [HA2]	4.02
Houses are unaffordable because of the high initial upfront payment [HA4]	3.95
I have difficulties to purchase a house because of my insufficient income to secure a housing loan [HA9]	3.88

Table 4.4 shows the descriptive analysis on items related to housing affordability. The result of the analysis is the mean value. The most frequent or hardest challenge of affordable housing are represented by the highest mean value. Item HA3 is ranked number one with the highest mean of 4.57. Ranked at number two is item HA5 with a mean value of 4.27. This is followed by item HA6 in number three and HA7 in number four, both with a mean value of 4.19. Item HA1 is in number five with a mean of 4.10. In number six to eight respectively are item HA8 with a mean of 4.05, item HA2 with 4.02 mean value, and item HA4 with a mean value of 3.95. Lastly, ranked at number nine is item HA9 with a mean value of 3.88.

Table 4.5: Items on government interventions

Government Intervention [GI]	Mean
There should be a national housing body/corporation on affordable housing [GI7]	4.31
I am fully aware of housing schemes such as PR1MA, RUMAWIP, PPAM [GI1]	4.22
I am fully aware of financing schemes such as My First Home Scheme, MyHome, SPEF [GI2]	4.07
Affordable housing schemes are affordable for me in accordance to my income [GI5]	3.45
Affordable housing schemes have helped the M40 group to purchase a house [GI4]	3.22
Affordable housing schemes offer high-quality affordable housing for the M40 group [GI6]	3.21
I agree that government initiatives for affordable housing have been successful [GI3]	3.07

Table 4.5 shows the descriptive analysis on items related to government interventions. Item GI7 is ranked number one with the highest mean value of 4.31, followed by item GI1 with a mean value of 4.22. Item GI2 is in number three with a mean value of 4.07, item GI5 is ranked at number four with 3.45 a mean value, item GI4 is in number five with a mean value of 3.22, item GI6 is in number six with a mean value of 3.21, and lastly item GI3 is ranked at number seven with a mean value of 3.07.

5.0 CONCLUSION AND RECOMMENDATION

Objectives achieved are elaborated further based on the data analysis. Lastly, the recommendations on the study on affordable housing challenges among the M40 groups are also discussed.

5.1 Objectives Achievement

5.1.1 To identify the issues and challenges related to housing affordability faced by middle-income groups

Based on table 4.4, item HA3 "the current house prices are expensive for me to purchase" is ranked as the first problem faced by the middle-income groups. This issue has been the façade of all affordable housing issues in many countries and as for Malaysia, the house prices are seriously unaffordable (Ling et al., 2017). A survey conducted by Star Property (2018) also revealed that overpriced properties being the biggest challenge faced by home buyers. Item HA5 "I believe urbanization is attributable to the rising house price" is ranked at number two. This specific challenge is related to developing countries like Malaysia where rapid urbanization has pressured urban housing thus pushing up the cost (Nwuba et al., 2015).

HA6 "the current housing industry does not provide for the housing needs of the M40 groups" is ranked at number three as a challenge for the middle-income groups to own a house. Housing needs that are being discussed include the type, size, location, design, and especially price that suits the income of the M40 groups. Most developers tend to neglect to respond to the supply and demand of the current housing industry (Inn, 2016). Ranked in number four is item HA7 "houses are not affordable if I pay more than 30% of income to purchase a house". This statement is based on the Median Multiple (MM) methodology where a house is considered affordable if it can be financed by less than three times the household's median annual income (Ling et al., 2017). Malaysia's current median multiple is at a level

of serious unaffordability.

Item HA1 "my problem in purchasing a house is inadequate income" is ranked at number five. This problem occurs among the middle-income groups due to the growth of household income has not kept up with the rise in house prices, with lower increase in household income over the years compared to the increase in house prices (Ling et al., 2017). Item HA8 "houses are not affordable because of my financial commitments" is ranked at number six. The middle-income groups or M40 consist mostly of newly-weds, small families or fresh graduates who are just starting their adult and working phase. These groups have the tendencies to spend their monthly income on cars rather than a house. Thus, the additional commitments that are not suitable for their level of income make it difficult for them to commit to owning a house.

Ranked at number seven is item HA2 "there are the limited number of affordable housing choices in the housing market". Although certain developers claimed to have developed affordable housing projects, the prices of these developments are still skewed towards the unaffordable range. For the middle-income groups, they have limited choices due to the factor of pricing of houses in the market. Ranked at number eight is item HA4 "houses are unaffordable because of the high initial upfront payment". With properties being overpriced in the market, the challenge with high initial upfront payment follows (PR1MA, 2012). The normal practice is Malaysia is 10% upfront payment as a deposit for securing the property and the middle-income groups struggle to pay for this. HA9 "I have difficulties to purchase a house because of my insufficient income to secure a housing loan" is ranked last at number 9. The problem with house financing is the least worried about as it is continued to be available for eligible borrowers with about 70% of housing loans approved are for first-time homebuyers (Ling & Almeida, 2017).

Based on table 4.5, item GI7 "there should be a national housing body/corporation on affordable housing" is ranked first among all the items that relates to government interventions of affordable housing. Malaysia should have already come up with affordable housing special body or corporation that houses all applications and data of eligible people. Through this standardized system, middle-income earners will have better chance at owning a house as well as become more informed on affordable housing matters. Item GI1 "I am fully aware of housing schemes such as PR1MA, RUMAWIP and PPAM" is ranked at number two. This shows that most of the respondents are aware of the affordable housing schemes and programmes initiated by the government. This is also because these affordable housing programmes are available in every state in Malaysia especially in urban

areas. Rank at number three is item GI2 "I am fully aware of financing schemes such as My First Home Scheme, MyHome, SPEF". The majority of the respondents of this research acknowledge the availability of financing schemes for affordable housing. These financing schemes are created to help eligible applicants in owning a house in several ways such as through zero down payments.

Next in rank number four is item GI5 "affordable housing schemes are affordable for me in accordance to my income". Most PR1MA houses are in the price range of RM100,000 to RM400,000 (PR1MA) which are within the threshold of housing affordability for middle-income earners. Item GI4 "affordable housing schemes have helped the M40 groups to purchase a house" is ranked at number five. This item is ranked in the lower level among the other items because some of the respondents still feel that the affordable housing schemes have not effectively helped the M40 groups to own a house. Item GI6 "affordable housing schemes offer high-quality affordable housing for the M40" is ranked at number six. This item is also at the lower level of the ranks because most respondents are still skeptical on the quality of affordable housing available today. The last item in the rankings is item GI3 "government initiatives for affordable housing have been successful". Item GI3 being ranked last proves that government initiatives in handling and controlling affordable housing have been inadequate. Better initiatives need to be figured out in the future, especially by the government.

5.1.3 To propose enhancements in the existing affordable housing programmes

Table 5.1: Recommendations to assist M40 groups to own a house

Recommendations to assist M40 groups to own a house	Percent
Government	58.7
Developer	23.9
Financial Institutions	13.0
M40	4.3

Table 5.1 shows the categorized responses from Part E of the questionnaire for question number 29. More than half of the respondents or 58.7% of them recommended actions to be taken by the government. The recommendations made by the respondents vary from all kinds of perspectives and some recommended that the government control the price of houses. Respondent 034 recommended that, "Government should strive to lower the housing developers' costs in

terms of compliance costs so that the cost-saving can be passed to the buyers". Some also suggested for the government to come up with specific policy made for first home buyers and the M40 groups. By doing so, the affordable price of housing can be reviewed. Respondent 069 stated, "To slow down private housing development", and to develop more PR1MA projects. One of the respondents had suggested affordable housing schemes to be made through rental schemes. Respondent 093 suggested, "Improvement on the economy as a whole so it could provide dominoes effects towards strengthening the household income". Second is recommendations for the developers (23.9%) in assisting the M40 groups to own a house. Recommendations made for the developers are all suggesting that the developers reduce the price of houses to suit the M40 groups. Respondent 074 stated, "Developer should focus on building the affordable house, not on luxury condo and bungalow".

Third is recommendations made for the financial institutions. About 13% of the respondents suggested that this includes more rent-to-own schemes. Respondent 108 suggested, "Introduce the concept of "rent to own" that currently apply to B40 so that more M40 will be able to own a house". Some also pleaded for lower financing rates and better financing schemes. Lastly are recommendations for the M40 groups to assist themselves in owning a house. The recommendations by only 4.3% of the respondents includes suggestion that the M40 start saving and move to suburban areas.

Table 5.2: Views on the effectiveness of government's intervention in affordable housing

Views on the effectiveness of government's intervention in affordable housing	Percent
Needs improvement	78.6
Satisfactory	14.3
Moderate	7.1

Table 5.2 shows the categorized responses from Part E of the questionnaire for question number 30. Most of the respondents or 78.6% are of the opinion that government intervention in affordable housing as "needs improvement". This is due to the problems of affordable housing among the middle-income groups still being unsolved and Respondent 085 stated, "Low enforcement". Respondent 034 felt that "Presently, the government is seen as not effective in providing affordable housing" and supported by "Have not met its targeted intention" from Respondent 040. Respondent 126 stated that affordable housing schemes "Should be made accessible to all". About 14.3% of the respondents are at "satisfactory" level

towards the effectiveness of the government's intervention in affordable housing. Respondent 069 stated, "Very good. But most of the applicants are trying to take advantage of it. Applicants usually buy that affordable house and rent it to others (mostly foreigners)", while Respondent 041 viewed the effectiveness as "Aggressive". The remaining 7.1% of the respondents viewed it as "moderate". Respondent 138 stated, "Pre GE 14 is effective, but during PH gov is more towards helping developers. New PN gov? Still early to speculate...".

Table 5.3: Enhancements to be made to current affordable housing programmes

Enhancements to be made to current affordable housing programmes	Percent
Incentives	41.0
Programmes	28.2
Pricing	23.1
Setting up organization	7.7

Table 5.3 shows the categorized responses from Part E of the questionnaire for question number 31. 41% of the respondents suggested enhancements to be made in forms of incentives and initiatives especially by the government. Most of the suggestions are on building more houses in urban areas with lower prices. Respondent 031 suggested, "Lower the price without compromising on the quality, offer more incentives for the first-time buyer", and Respondent 138 stated, "Control the price of building material, but at least 50 percent of penalty for unsold properties apartment/house, highers percent penalty for RPGT below 5years and monitor the property speculators".
Respondent 033 also suggested that the government "Upgrade the public transport surround the housing area as most of the affordable house are far from the city" and to "Revisit the term affordable housing and put a strong deal with the developer to check back the cost of housing development" by Respondent 093. Respondent 069 called for the government to "Must strictly the rules and regulations for the applicant/buyers. Must have a regular checking on the occupancy at the houses".
Next is enhancements to be made towards the affordable housing programmes with 28.2% of the respondents responded to this category. Respondent 101 suggested, "The implementation mechanism, whether to give rebate or to fund some of the interest rates or lower the house price". "Reduce the income qualification for all types of applicants" as stated by Respondent 110, so that more people can buy the house. Respondent 061 recommended enhancement through "Gov should regulate the whole property ecosystem including the developers, property agent, and provide more scheme such as rent and own program".
About 23% of the respondents suggested enhancements towards the pricing of

the properties since this aspect is one of the biggest challenges faced by middle-income groups. While most of the responses were suggestions towards a reduction in property prices, Respondents 085 suggested, "Ceiling price should be established for development". Respondent 099 and Respondent 100 suggested for, "Lower upfront payment".

The last recommendation for the enhancements to be made to the current affordable housing programmes is setting up an organization. Only 7.7% of the respondents recommended this. The setting up of an organization is as stated by Respondent 034 where the government is to, "Create one national body to plan and implement affordable housing programmes". This huge initiative can be adapted by taking Singapore's Housing Development Board (HDB) as a benchmark. This is further supported by Respondent 012, "Proper planning by single Agency such as Housing Development Board in Singapore".

5.2 Recommendations

The researcher of this study suggests that future studies to be done on the topics of affordable housing to cover more geographical areas in Malaysia as it is a growing concern in every part of the country. New researches can study on topics of affordable housing level that relate to other related housing problems that could be newly discovered. As more initiatives are being done by the government in assisting the middle-income groups, frequent updates should be made in future research to achieve more accurate results. Thus, it will also help the middle-income groups, the government, and developers to get a better insight into what is really happening in the housing industry. Perspectives from property gurus and analysts could also be included in the study. The future studies can also look at the rental affordability among the middle-income groups instead of just focusing on purchase affordability.

The government is also called upon to initiate more affordable housing schemes that include new housing programmes and new financing schemes to assist the middle-income groups in owning a house. The idea of setting up an organization similar to Singapore's Housing Development Board (HDB) which is made specifically to handle all the applications and approval for affordable housing should be realized. This would not just help the middle-income groups to have better chances at owning a house, but also serves as a database for the government to monitor and control what is currently happening within the affordable housing industry.
By setting up an affordable housing organization, better responsiveness towards the supply and demand of affordable housing in specific areas can be figured out

and thus, resources can be developed into providing housing for the middle-income groups. Developers are also encouraged to build and develop more affordable housing within the affordable range to assist the M40 groups to own a house. The developer can collaborate with the government to adopt certain housing schemes and programmes that would benefit all parties involved including the developer itself.

5.3 CONCLUSION

Housing affordability has been discussed for quite some time now and it is proven that there are obvious challenges faced by the middle-income groups regarding this issue. Housing is being priced way over the affordability threshold of most middle-income groups. The findings of this study have proven that properties are being overpriced, especially in urban areas. From the literature reviews, it is found that the median multiple of housing in Malaysia is at 5.0 which are seriously unaffordable even by international standards (Ling & Almeida, 2017). This clearly indicates that the middle-income groups struggle to own a house with their current income levels. The M40 groups are further pressured by being trapped in what called the middle-income group trap where they are not qualified for low-cost housing, yet also cannot afford to buy medium-cost housing. This group is very likely affected by the unsteady growth in household incomes compared to the growth of property prices over the years. This study has contributed to examining the issues and challenges faced by middle-income groups and further extend the reoccurring issues to benefit many parties including the government and developers. Housing affordability problems identified in this study can also be used by policymakers in conceptualizing and formulating new policies regarding affordable housing in the future. The framework of this study can also be applied by other researchers in studying in-depth the problems examined. This study also emphasized the recommendation on setting up an affordable housing organization such as the one in Singapore. From the recommendations of this study, the government should play a more proactive role in handling the affordable housing issues. The government has to be more serious in assisting the middle-income groups to own a house because it is a serious matter. Through the suggested enhancements to be made on the current affordable housing programmes, the government and all other key players of the industry are hoped to formulate better policies in order to provide for the M40 groups.

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