

## HOUSEHOLD WELLBEING OF PROGRAM PERUMAHAN RAKYAT IN JOHOR BAHRU: A PRELIMINARY ANALYSIS

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**Abstract:** *In the present climate, most low and middle-income households are affected by market conditions; hence the positive impact of household wellbeing is difficult to achieve as expected. This paper examines the social and economic wellbeing of Program Perumahan Rakyat (PPR) scheme in Johor Bahru by collecting 109 survey data to provide a full picture of the extended coverage of household wellbeing dimension. A cross-sectional survey was employed to establish research objectives, and the survey data were analysed by using the Relative Importance Index analysis. The results indicated that the number of households, number of bedroom and bathroom, monthly consumption, monthly income, and housing quality are the factors that extremely influencing household wellbeing of the PPR scheme.*

**Keywords:** *Household Wellbeing, Low-Cost Housing, Program Perumahan Rakyat, Social Wellbeing, Economic Wellbeing*

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### Introduction

Significant growth of Malaysian residential property development is evident, particularly in the main areas such as Kuala Lumpur, Johor Bahru, and Penang (Shapee et.al., 2018). However, the uncontrolled housing supply that leads to an increase in housing price is caused by the vast development in residential property. Things will be getting worse when the price offered in the market for residential property is beyond the reach of many families. This is because the space needed to raise children becomes more expensive. It can negatively impact the households because the situation affected the household's economic well-being in homeownership affordability.

Anyhow, with the property market condition right now, the positive impact on the household's wellbeing is difficult to achieve as expected. The step-up of housing prices, especially in focus areas, will burden a certain society with a low-income level to have a house. This situation has indirectly forced them to rent a house or stay with their family due to limited financial resources. Low-income people do not have the alternatives to choose for a quality house, and they also do not have many options to rent or buy an affordable house in the centre of town due to financial constraints [2].

The government stated committed to implementing a balanced development approach with stressed economic growth and society well-being (Economic Planning Unit, 2018). Wellbeing is referred to as the level and quality of life that fulfill the socioeconomic, physical, and individual's psychology requirement. The 11th Malaysia Planning (RMK 11) also stated that every Malaysian citizen would have access to the healthcare and quality of the affordable housing, neighborhood surrounding, and secure public area which the citizens will enjoy the peace of mind and community (Economic Planning Unit, 2018).

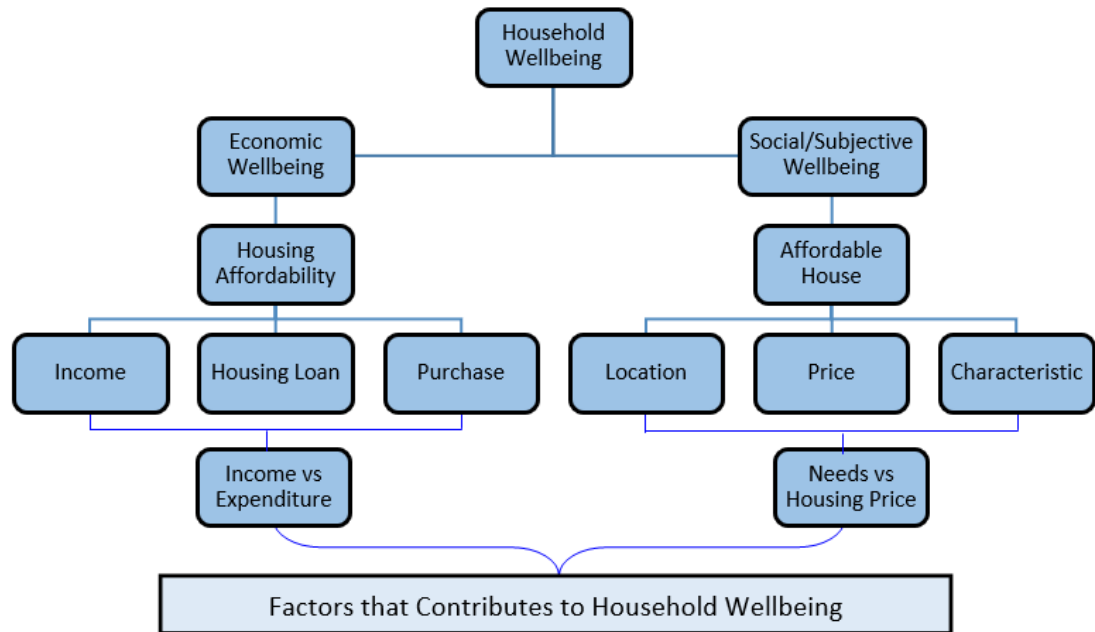
However, Malaysia has at least 2.7 million B40 households with an income of RM2,370 per month (RMK 11) (Economic Planning Unit, 2018). Based on the Government of Malaysia's Official Portal, a B40 group is a group that lives with a household income below RM3,050 per month. The real situation that they faced the pressure on housing affordability for life's sake. This situation happens because of the increase of cost to have a home and they are forced to find other alternatives such as rent a house or stay with friends or family that is far away from their workplace. The effect is that they will indirectly deal with the increasing cost of living or economical it can be said as "hidden cost which has to be borne.

Today, Malaysia's housing price is unaffordable for most middle to lower-income groups, thus affecting their social and economic well-being. The government initiative helps the middle group have a home by providing them home that affordable for all groups of households, especially households with low and middle income.

## **Literature Review**

### **Household Wellbeing**

The purpose of the housing policy that is formed is mostly to overcome the problem of housing need for low income and middle-income group (Bujang, 2006). In addition, the house that is built or provides must fulfill the quality and standard required to ensure the house is affordable to be owned and comfortable to give a satisfaction and sense of well-being to the households. Figure 1 shows the picture of the overall concept of household well-being in housing affordability.



**Figure 1: Household Wellbeing** (Shapee et.al 2018)

The concept of wellbeing is complex. This because several definitions are different. However, wellbeing has occurred when there is prosperity, health, and happiness (Shapee et.al., 2018). Well-being is also a dynamic situation. The individuals can build and develop the self-potential, work productively and creatively, develop a positive and strong relationship with the societies, and contribute to the entire community. The value of wellbeing is also surging when someone's can fulfill their personal and social goals to achieve the community's purpose (Shapee et.al., 2018). Individual experiences or perception of how far they live is measured as criteria of quality of life (Naess, 1999).

Wellbeing is defined by the positive individual characteristics of a country (happiness) (Polard and Lee, 2003). Wellbeing also can be defined in terms of the overall context of a person (living standards), lack of wellbeing (depression), or collective (sharing of understanding) (Polard and Lee, 2003). In the context of wellbeing, wellbeing can be related to the origin of Bentham's Utilitarianism in which individuals will try to maximize their happiness (May, 2007). However, Bentham's idea has been expanded by other liberals by claiming that happiness also involves intellectual, spiritual, and cultural excitement.

### **Economic Wellbeing**

Conventional measurement to measure household economic well-being does not sufficiently reflect the advantages or benefits from the asset ownership or disadvantages received from liabilities (Wolff and Ajit, 2006). This is due to the income generated from the asset's ownership usually measured in the form of property income, for example, the sum of dividends, interest, or rent.

The measurement that is commonly used to measure the household's economic wellbeing in United States is based on the household's income itself (Short and O'Hara, 2008). This measurement is adopted based on the income that usually criticized because it gives the wrong captures towards the aged households' economic well-being. This is due to the lack of household's income, especially the elderly after retirement, then they are seen as groups that are more likely to lack wellbeing compared to other households (Short and O'Hara, 2008).

The main factor contributing to the household's economic well-being and the living standard of households is income, expenses, and wealth. Income can be used to support expenditure on goods and services (Australian Bureau of Statistics, 2006). Besides that, it can also be kept and invested in increasing the wealth that can be used in the future. However, some low-income households that allocate to wealth in the future will have to limit their expenses today.

### **Subjective Wellbeing**

Subjective wellbeing involve assessment on many dimensions of life include cognitive Subjective well-being involves assessing many dimensions of life, including cognitive consideration of life satisfaction and judgment on emotions. Some economists defined the phrase of subjective wellbeing as happiness and joy (Conceição and Bandura, 2008). Previous research found that the factor of sosio-demographic also affects the happiness. Below is the demographic's indicator that is used to measure subjective wellbeing (Conceição and Bandura, 2008):

- a) Age
- b) Marital Status
- c) Type of family
- d) Children
- e) Household's size
- f) Housing quality

The measurement of subjective wellbeing and economic wellbeing is complementary rather than a substitute. Understanding the relationship between subjective wellbeing and economic variables such as income and expenditure is important to collect in well-being measurement (Conceição and Bandura, 2008).

### **Factors that contribute to household wellbeing**

Table 1 shows the factors that contribute to the household wellbeing based on previous research. It revealed that the factors that contribute to the household wellbeing are income, overcrowding, transportation, tenure, rent, length of time in the dwelling, financial, neighborhood quality, environmental factor, social factor, socioeconomic, number of bedrooms, number of bathrooms, age, homeownership, and family composition.

**Table 1: Factors that contributes to household wellbeing**

Walker, Ballard, Taylor & Hillier (2007).	Rowley and Ong (2012).	Ayoola Oni and Adenike Adepoju (2013)	Solari and Mare (2010)	Zhang, Zhang and Hudson (2017).	Wu, Stephens, Du and Wang (2018).	Shapee (2017).
Income	Financial	Environmental factor	Housing crowding	Income	Family composition	Social wellbeing
Overcrowding	Neighbourhood quality	Social factor	Socioeconomic	Number of bedrooms	Neighbourhood built environment	Economic wellbeing
Transport		Individual household factor	Demographic	Number of bathrooms	Individual socioeconomic	
Tenure				Age	Household demographic	
Rent				Homeownership	Homeownership	
Length of time in dwelling				House size		

### **Program Perumahan Rakyat (PPR)**

Housing has been recognized as an important development tool for restructuring society and eradicating poverty. In 1996, the “Zero Squatter by 2005” policy was implemented in the whole of Malaysia. Further to the economic recession in late 1997, a four-tier pricing system on ‘*Program Perumahan Rakyat (PPR)*’ schemes in cities and major town for the resettlement of squatters has been implemented to ensure its citizen, particularly lower-income groups, to continue enjoying the benefits of adequate, affordable and quality housing. However, it is important to ensure that the provisions of housing can create a harmonious society and promote a sustainable living environment (Rahim, 2011).

There are two types of People’s Housing Project, which is Owned PPR and Rented PPR. Owned PPR aims to help provide perfect housing to those with low income in rural areas and the suburbs, while Rented PPR is to place the squatters involved with government development projects. Therefore, it can be concluded public housing is the low-cost houses constructed by the sector publicly aimed at providing perfect housing units with basic facilities and community amenities (Rahim, 2011).

In understanding the concept of People’s Housing Program, there are several important features that the KPKT has outlined to ensure that its construction is achievable objectively defined. Basically, these features are a guideline used in the implementation of community housing programs by the parties involved. Among the characteristics of the people’s housing programmed are as follows:

- i. Target group**  
Low income household and squatter income less than RM3, 000 per month.
- ii. Type of housing**  
5-18 level apartments in large urban areas and terrace house in suburban area.
- iii. Housing concept**  
The development concept of PPR is the share housing. This is because this concept can optimize the use of land in big cities, providing homes to the people while improving the standard of living of the people especially those with low incomes.
- iv. House size**  
KPKT has set floor area of not less 700 square feet includes 3 bedrooms, 2 bathrooms and toilet. 1 living room and 1 kitchen area.
- v. House price**  
The price of housing for the PPR is RM35,000 per unit while for the price of rented PPR determined monthly rental rates RM124 per month. But this price is not necessarily followed by any state.

### **Methodology**

In this research, the quantitative approach has been adopted in collecting the data. A quantitative approach is one in which the investigatory primarily uses postpositive claim for developing knowledge for instance, cause and effect thinking, reduction to specific variables and hypotheses and question, use of measurement and observation, and the test of theories employs strategies of inquiry such as experiment and survey and collect data on predetermined instrument that yield statistics data (Chih-Pei and Chang, 2017).

### **Survey Design**

This study is concentrated on the selected respondent, which is households with low- and medium-income levels. The purpose of this study is to examine the households' wellbeing that has low- and medium-income level. In this research, the questionnaire is adopted as an instrument because many people can be reached to identify the factors contributing to the households' wellbeing.

The cross-sectional survey design is employed in this study. A cross-sectional survey design requires the researcher to collect data at one point in time (Creswell, 2010). This is because when the respondents had completed their surveys about the factors that contributing to the households' wellbeing, at the same time, the data about their present views are recorded. This type of survey design examines current attitudes, beliefs, opinions, or practices.

### **Sample**

Sampling is selecting a number of subjects from the population to be the respondents to ensure that the research is valid, so that appropriate use of the sample will be used (Azmi, 2018). To obtain the desired number of respondents, the sampling formula by Taro Yamane is used (Taro Yamane, 1976). Using the adapted formula from Taro Yamane, the targeted sample of residence in PPR Johor Bahru was 106 with a population of 1,334,188 at a 90% confidence level and margin error of 8% (Ismail, 2015).

### **Instrument**

The questionnaire was drawn from the literature review. Four important parts in the questionnaires cover the respondent's socioeconomic, income, and occupation, collecting the information about the respondent's homeownership and factors that contribute to the respondents' wellbeing. The 5-point Likert scale ranging from 'not all influential', 'slightly influential', 'somewhat influential', 'very influential' and 'extremely influential' was used to measure the best support of someone's opinion by measuring the particular question or statement that stated or listed in the questionnaire.

### **Result and Discussion**

Table 2 shows the factors influencing household wellbeing in PPR in Johor Bahru score by mean score. The most influential factor for a household's wellbeing in PPR is the social wellbeing which is a number of households with a total score of 4.60. Social well-being (numbers of bedroom and bathroom) is recorded as the second highest factor that will influence this problem with an average score of 4.40. This is followed by economic well-being, which is monthly consumption, monthly income and social wellbeing (housing quality) with the average mean score of 4.39 and 4.35. This is due to the increasing of house price in the market. So that household's monthly income and monthly consumption give the households a burden to buy a house that fulfills the household's criteria such as numbers of household, numbers of bedroom and bathroom, and housing quality. So, they were forced to occupy a house as their basic needs to have a shelter based on their income level. The household size is important to enable the understanding of household income on subjective well-being (Conceição and Bandura, 2008).

As discussed in the literature review, all the seven factors are related to each other with their socioeconomic status to ensure it can give the maximum wellbeing to the households. Economic well-being, which is housing repayment and monthly income, is considered the factor that influences the well-being of the household in PPR. The concept of housing affordability includes income affordability, purchasing affordability, and repayment affordability (Gan and Hill, 2009). Social wellbeing, which is housing quality and facilities, are the factors that have to be considered first in PPR. This is because housing quality is an important element to someone's life in occupying a house (Conceição and Bandura, 2008). It is evident that the quality of housing can give a sense of subjective well-being.

The nature of subjective well-being depends on not just family composition but also other individuals' socioeconomic characteristics and neighborhood-built environment (Wu et. al., 2018). Wellbeing has been recognized to encompass more than income and consumption issues, including health, education, nutrition, security, environmental integrity, freedom, social relations, and affiliations (Ayoola and Adenike, 2014).

**Table 2: RII analysis on the Factors that affecting the Respondent’s Wellbeing in PPR In Johor Bahru.**

Scale	Index Range	Factors that influence the household's wellbeing	Mean
Extremely Influential	4.25 – 4.62	Number of households	4.60
		Number of bedroom and bathroom	4.40
		Monthly consumption	4.39
		Monthly income	4.35
		Housing quality	4.35
Very Influential	3.87 – 4.24	Individual health	4.23
		Facilities	4.19
		Environment/Neighbourhood	4.17
		Community's safety and lifestyle	4.14
		Size of living room	4.14
		Age	4.01
Somewhat Influential	3.49 – 3.86	-	-
Slightly Influential	3.11 – 3.48	Individual status	3.47
		Society's culture and politic	3.36
Not All Influential	2.73 – 3.10	Education and intellectual development	2.94
		House price	2.78
		Housing repayment	2.73

### Conclusion

A cross-sectional survey was employed to establish research objectives, and the survey data were analysed by using the Relative Importance Index analysis. The results indicated that the number of households, number of bedroom and bathroom, monthly consumption, monthly income, and housing quality are the factors that extremely influencing household wellbeing of the PPR scheme.



Planning and development should focus on the strategy towards providing affordable housing delivery system that is effective in providing social and economic wellbeing. Basically, this means that the house that is provided not only affordable, but also liveable, comfortable, and conducive. These circumstances will improve the household's welfare and comfort.

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