



# Investigation Study towards Housing Attributes Effect House Buyers

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## Abstract

A house is considered the main priority for all people. It is not only a place that saves individuals from dangers but it is a place that all can find themselves in and personal behavior can create. The house is the place that all actions happen and all the social relationships are improved. Moreover, a house shows different cultures and social networks because people culture and thought are developed in the house. It has a strong importance for individuals; so, it is necessary for households to have the comfortable house for living. It is important to define the characteristics of house buyers in order to improve the customer's requirements. In order to understand the process of consumer housing purchase choice, it is important to understand the meaning of housing attributes in details and survey the previous literature related to houses purchasing.

**Keywords:** *Housing Attributes; Extrinsic Housing attributes; Intrinsic Housing Attributes; Consumer Housing Decision.*

## 1. Introduction

The options that are available for consumers are enormous, yet they cannot meet all the choices through the process of purchasing decisions. Consumers need to recognize the house attributes that are considered the most important, define the degree of importance of these attributes and then assess their ability to pay [1].

In a previous literature review, there are a lot of housing attributes that have been suggested by researchers. The main stage in defining the consumer's priority is defining the housing attributes. Housing attributes consist of intrinsic and extrinsic. The housing attributes are included in various previous studies. Intrinsic attributes include different examples such as housing typology, air condition in the house, bedroom numbers[2]. Extrinsic attributes involve different examples such as location, environment, services and neighborhood that affect the purchasing decisions of houses for consumers.

## 2. Housing Attributes Definition

There are many choices for consumers, but consumers cannot deal with all their requirements during the process of purchasing decision. Generally, evaluation criteria are the product features which are related to benefits of products [3] [4] [5] [6] [7] [8] [9] [10] [11],[12]. Consumers are aware of identifying the housing attributes which are the most significant to them and to identify the importance of attributes to pay [13].

In the previous studies, different housing attributes that affect consumers housing purchase decision have been suggested. Identifying the housing attributes is considered the basic stage to assign the importance of housing attributes for consumers. There are different methods to determine housing attributes such as interviews with experts in the housing field, distributing surveys to specialists in the social housing sector or discussing with focus group about the most important housing situations. According to previous studies, major housing attributes can be classified into two categories intrinsic housing attributes and extrinsic housing attributes [13] as explained in the following.

### 2.1 Intrinsic Housing Attributes

The most important part of the housing is the intrinsic housing attributes which involve materials used in building, the age of house, the type of house, numbers of living room, dining room, number of bathrooms, patio, house style, the house condition, number of fireplaces and internal condition [14].

Greene & de Dios Ortúzar (2002) has used a Delphi Survey to determine housing attributes. Their findings include flexibility, household complexity, plot size, area size, and a number of people per room. The air conditioning and the garage are also considered intrinsic housing attributes[16]. House type is the most critical variable to the identification of intrinsic housing attributes [10].

Different previous studies considered the price and payment methods as intrinsic housing attributes [10]. The price of a house is considered a type of intrinsic housing attribute [4]. Various previous

studies indicated that the selection of houses is related to the price of the house, so the ability of purchasing will be determined according to the price. Price is considered one of many housing attributes used in different studies [16] [17] [9].

Different Studies have been used the hedonic price framework to define the housing attributes and demand,, (e.g. [16] [17] [9].

## 2.2 Extrinsic Housing Attributes

Extrinsic housing attributes have been divided into three categories based on previous studies. These attributes are exterior space, environmental characteristics, and location.

- a. Housing exterior design and space: From previous researches, some attributes are shown to affect consumers' housing purchase decision. These attributes are categorized into exterior design and the exterior space. The exterior design includes the walls, the garden, garden function and finish type. Exterior space includes garden size, swimming pool and game room [15] [7] [10].
- b. Environmental attributes: Different attributes are attached to various extrinsic factors that influence the houses. In the recent studies, the environmental attributes include different attributes such as neighborhood characteristics, time in a neighborhood [18] [4] [2]. Danger, open space, cultural environment, environmental pollution, air pollution, street lighting, noise, pollution, rainwater drainage and security are also examples of environmental attributes.
- c. Location attributes: Paying for access to facilities and services location is considered very important for people, both of facilities and services considered as a type of extrinsic factors. Schools, nurseries, libraries, social activity centers, food courts, downtown area and main street are considered as facilities that include public transport, refuse collection, public phone are important factors affecting location [11] [19].

## 3. Housing Attributes in Consumer Housing Decisions

There are different studies that showed the intrinsic and extrinsic factors importance in housing choice. Further, different previous studies explained the meaning of culture and ethnicity of consumers. In addition, previous studies explained the effect of cultural and social factors on housing attributes. Many previous studies discussed the customer's choices towards houses according to different factors and criteria.

Different studies showed that housing attributes are influential factors of household's home buying preferences [10]. Different studies reported the increasing demand for different attributes is related to housing preferences that are associated with intrinsic attributes such as total floor area and building design [6] [10], and extrinsic attributes such as exterior design and exterior space [20].

In addition, Jabareen (2005) pointed out the relative importance of socio-culture housing attributes in house buying decision [21]. Others considered settlement patterns and lifestyle as factors for housing decisions and house orientation [20]. Space has also been identified as a factor in the home buying decision-making process [22]. According to [23] number of rooms and bathrooms are critical in housing process decision. Taylor (2008) showed that housing needs depend on six structural housing attributes, which included bathroom, bedroom, living room and kitchen [17]. On the other hand, the number of bedrooms and the size of bedrooms are considered basic factors in housing purchasing decision [10].

Interior design is as a basic influential factor affecting housing purchasing decisions. For Canadians homebuyers, (Spetic, Kozak, & Cohen, 2005) found that home buyers prefer to pay more for a green garden in their houses during housing purchasing decisions. In Asian countries, homebuyers prefer to live in houses with a high level of health and sunlight penetrations (Wang & Li, 2004). (Almatarneh, 2013) stated that, in Egypt designing, planning and marketing principles are the main factors to shape the desires and wants of people needs towards housing purchasing decisions.

On the other hand, other studies indicated that some households in the rented controlled sector are willing to pay more in order to increase the number of rooms at their houses. Neighborhood and public services are considered critical factors in housing purchasing decision. Various studies have described how consumers make their purchasing decisions and studied the impacts of housing attributes on housing purchasing decisions [24] [25] [26] [27].

Other studies showed the related environmental factors [28] [29] [30] [31]. Studies related to consumers housing purchasing preferences were performed in both developing and developed countries. [18] studied the purchasing preferences in Chania; [32] studied the housing purchasing decision in Panama. Sweden [33]; Finland [34]; Ghana [23]; Japan [35]. Besides that, both cultural and national factors play a significant role in housing purchasing decisions and housing preferences [7]. Some previous studies presented the intrinsic housing attributes such as cost and size [36]; [6]. Other studies presented extrinsic attributes such as exterior design and exterior space [6], neighborhood and other locational factors such as pollution [6].

From reading the literature regarding the housing attributes, for example, Kaynak and Stevenson (1982) found that for Canadian customers, the most important factors during housing purchasing decisions are features of the house, economic and location factors [37]. Moreover, in Canada, products and materials helping the energy efficiency lead the consumers to pay more for better indoor environment quality (Spetic et al., 2005).

In china, the neighborhood variables are more critical than other variables in choosing the house [20] stated that low and medium income household show stronger preferences towards the inner place. Dokmeci et al., (1996) found that neighborhood and a stable social environment are common factors for house buyers in Turkey. Accordingly, [38] stressed that housing preferences may be enhanced with different social and psychological factors like privacy at home.

Also social values and religion play very important role in determining the housing preferences according to [21], he found that kinship relations and attitudes toward women are crucial factors for individual Palestinians who have the intention to purchase a new house. In Arab world, the separation between male and female is considered the main factor in determining the housing purchasing decision (Berween, 2002). In Yemen, the most important factor that affects the housing purchasing decision is privacy [39]

Different and various studies in Saudi Arabia focused on providing affordable houses. The study of Almomanie concluded that social and cultural considerations are the most important factors for determining housing purchasing decision in Saudi Arabia. Other studies showed that neighborhood is an important element of housing purchasing decision (Mabogunje, 2007).

On the other hand, different studies used social psychological factors to predict the housing purchasing decisions of the households, for example, any one focused on psychological factors in choosing the houses while others focused on motivational factors to determine housing choices and presences [40-41]. In Chi Minh study in Vietnam, it was found that living space and distance are the most important elements in housing purchasing decisions [42].

In brief, housing attributes have been studied in both developing and developed countries around the world. For example (Wang & Li, 2004) in China, (Chay & Greenstone, 2005) in the United State, (Brownstone & Englund, 1991) and (Wilhelmsson, 2002) in Sweden and (Tippel & Willis, 1991) in Ghana.

Table1: summarizes the findings from the literature review about the effect of housing attributes on purchasing decisions.

**Table 1:** Literature review summary of the effect of different factors on purchasing decision

Country	Author	Method	Findings
Canada	[38]	Quantitative Home	Healthy living attributes is the important factor during purchasing house.
Chile	[15]	Mixed method	Building material and dwelling type are the important factors during purchasing house for house buyer.
Egypt and the Philippines	[18]	Quantitative	Choosing the house near to work place is the most important factor for home buyers.
Saudi Arabia	[3]	Quantitative	Financial consideration is the most important factor for home buyers.
Pakistan	[4]	Mix method	Living space, bathrooms numbers, plot size are the most important factors during purchasing houses.
British	[7]	Qualitative	Exterior design and outdoor space are the important factors when purchasing houses.
China	[20]	Quantitative	Neighborhood attributes are the most important factor when purchasing houses.
United State	[43]	Quantitative	Location of the house is very critical factor for home buyers
North Mexico	[2]	Quantitative	The structure of house is more important than neighborhood.

From the literature, we can find the role of intrinsic and extrinsic in determining the housing purchasing decision. Different studies found that neighborhood plays very important role in determining the decision for purchasing such as these of [18] and [4]. On one hand, other factors can reduce the consumer perception of housing value such as pollution and traffic congestion [44]. On the other hand, [9] indicated that structural characteristics are more critical in housing valuation than location factors. This means that intrinsic housing attributes are more critical for house buyer than extrinsic housing attributes. [41] stated that, most of the house consumers in

Holland prefer the intrinsic attributes to extrinsic attributes when purchasing a house.

Culture and ethnicity of consumers can also influence the purchasing process for house buyers. For example, in Saudi Arabia, [10] stated that most of the residents in Saudi Arabia prefer to live in a small house rather than apartments or duplex, and financial consideration and private living spaces are the most important factors for homebuyers when purchasing houses. Further, (Spetic et al., 2005) stated that healthful living in the housing market in Canada is the most critical factor for choosing the house and making the last decision to purchase it.

Pasha & Butt (1996) in their study, they showed that the variables of financial consideration are not very important for the customer in Pakistan when purchasing a house. The main three important factors for Pakistanis are a number of bathrooms, plot size and living space [4]. [43] Identified bathroom, lift, elevator and the width of the door are the most important factors that affect the value of the house for the house buyer in Spain.

Bhatti & Church (2004) in their study found that exterior design such as garden is the most critical factor for purchasing houses in the modern UK housing market [7]. Sirgy et al. (2005) stated that the attributes and presence of residential housing could be enhanced by psychological determinants [38].

#### 4. Conclusion

As shown in the literature, the main points that have been discussed in the literature are: housing attributes have the major effect on consumer housing purchasing decisions, consumer purchase decisions are various from country to other and social and cultural factors have impacted on the importance of housing attributes.

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