

## **ANALYSIS OF BUYING DECISION VARIABLES FOR SUBSIDIZED RECIDENCE WITH USING REGRESSION ANALYSIS**

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**Abstract-** *The main themes of this research on the "location housing, ease of getting loans, income, house prices, facility and public facility and legal aspect of the home purchase decision in Banyu Herang Garut Regency". The method used in this research is quantitative research methods to approach the problem formulation descriptive and verification. In this study, the data used is primary data. The statistical test used in this study multiple linear regression method. Results of research are based on a statistical calculation results of multiple regression analysis, it can be concluded that, partially, the variable housing Locating affect the Home Purchase decision, and for variable Ease of Getting Loans no effect on the Home Purchase decision, variable income does not affect the Home Purchase decision and also variable House Prices affect the Home Purchase decision, Facilities variable does not affect the Home Purchase final decision and Legal Aspect variables affect the Home Purchase decision. For analysis together simultaneously variables simultaneously housing Locating variable ( $X_1$ ), Ease of getting loans ( $X_2$ ) Income ( $X_3$ ) House prices ( $X_4$ ) Facilites ( $X_5$ ), and Legal aspect ( $X_6$ ) effect on variable Home Purchase Decision ( $Y$ ) with a total effect of 92.5%, while the remaining 7.5% is influenced by other factors not observed.*

**Keywords:** *Locating housing, Easy of getting loans, Income, House prices, Facility and public facility and Legal aspect of the Home Purchase decision.*

### **Introduction**

Housing is one of the basic human needs that must be accomplished, in addition for food and home. People strive to meet the housing demands in every level of public life by taking into account the tastes and abilities. Housing has a strategic function, i.e. such as family education center, nursery culture, improving the quality of future generations, and as a protection against natural disasters or weather. The realization of public welfare and quality of human resources can be characterized by an increased quality of life livable.

The housing problem in the Regency of Garut is increased. In other hand, total population increase, influence to the growing demand for housing. By considering the state of the local economy Garut regency, the government has offered a solution to the holding of subsidized housing programs for low-income people, but the fact that the program does not fully understand the field to be the solution. In other words, accomplish the requirement of subsidized housing that is held by the government and private developers have not been able to be an alternative solution for low income people, especially in Garut regency. From the Garut regency citizens as customers, this imbalance raises the problem. In correlation with it, the study formulated the problem in the analysis of the factors that influence the purchase of subsidized housing decision in Garut regency.

## Theoretical Study

### Consumer Behavior

In general, the destination of marketing activities is to influence the customers behavior that are willing to buy goods and services in meeting the needs of the company. It is very important for managers to know how marketing company product development, pricing, determine the place and location, service activities and promote their products well. According to Engel, et al., (1994: 3) customer behavior as actions directly involved in obtaining, consuming, and spent the product including the requirement that preceding and follows this action. While other definitions of customer behavior is also expressed by William (Winardi, 1991: 14) as an activity involves people when selecting, buying and using products and services, such that it meets the needs and desire for they desire.

### Definition of Housing

There is some understanding of the housing. According to The Dictionary of Real Estate Appraisal (2002: 313) that definition of residential property is a vacant lot or parcel of land that is developed, used or supplied to the residence, such as single family houses, apartments, flats.

Under the Law No. 4 of 1992 on Housing:

- a. The house is a building that serves as a residence or dwelling and family coaching facilities.
- b. Housing is a group home that serves as a neighborhood or residential environment equipped with infrastructure and environment

### Definition of Subsidized Housing

Subsidized housing is government sponsored economic assistance aimed towards alleviating housing costs and expenses for people in need with low to moderate incomes. Forms of subsidies include direct housing subsidies, non-profit housing, public housing, rent supplements and some forms of co-operative and private sector housing. It is required for Low-Income Communities (MBR).

### Factors Affecting Housing Demand

Awang Firdaos (Valuestate, 1997: 14) describes that customer demand for housing is influenced by factors as follows:

#### 1. Location

The existence of residential location in center or suburbs greatly influences customer interest in buying home. The more strategic location means better housing and has a level of demand that is increasingly highly. The economic factors of the existence of residential location also taken into consideration the customer in choosing a home needed. Distance to workplace, entertainment and public facilities as a motive and time efficiency transportation costs are economic factors that are considered by customers in selecting the location of the house in question.

#### 2. Population Growth

For the reason that everyone needs a place to stay as a shelter, then any population growth, both natural and unusual (due to urbanization) will increase the demand for homes.

#### 3. Customers Income

Ability to have someone in the house very influenced the income generated. If a person's income increases and the economy not recession and inflation, the tendency to own a home will increase both in quality and quantity.

#### 4. Ease for Getting Loans

In the residential property market, housing demand is influenced also by government policies and financial institutions such as banks. Characteristics of the property market which requires huge funds, causing customers depends on the ease of funding. Ease of funding may include loan credit facility, a decrease in loan interest rate, and term of the loan repayment. If convenience can be obtained by customers, it is believed that requirement for home by customers will increase. Conversely, if a

condition of obtaining a loan is very tight, or a high interest rate loan will reduce housing demand by the public.

#### 5. Facility and Public One

The facilities here include public facilities and social amenities, including infrastructure, education, health, religion, transportation, and others. The existence of such facilities to build and attract investor asks which will further increase the demand for housing in the region.

#### 6. Market Price of Home

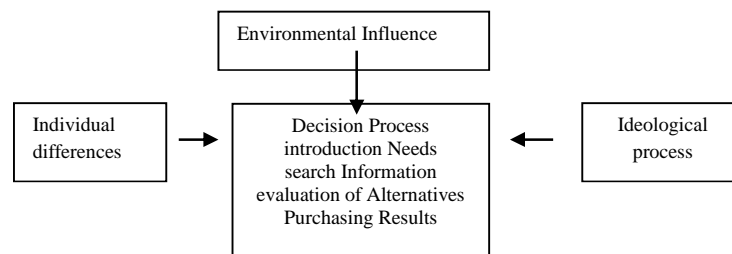
As in the case of the theory of demand and supply, the higher the price of goods will result in a decrease in demand for the goods in question. If the secondary housing prices rose, while the tendency to have a house with the price level will be reduced and the demand will switch to a home with a lower price.

#### 7. Regulation

Regulations on the type of land use rights/land which limits the land rights have contributed to the factors that influence customer demand for housing. Likewise with other regulations such as tax regulations (IMB and BPHTB) also being factor to be considered by customers in buying a home.

### Consumer Decision Making Process

Environmental influences, differences and the influence of individuals, as well as psychological processes can shape and influence customer decisions include all kinds of behavior and the fulfillment of a broad range of factors that motivated and influence. Systematic basic model of customer decision process along with the factors that influence and shape behavior can be explained in Figure:



**Figure 1 : Models of customer decision-making behavior and the influencing factors**

### Hypotheses

The hypothesis of this study is:

Ho : There is a negative influence between factors residential location, ease of access to credit, consumer income, house prices, facilities and public facilities, and legal aspect against subsidized home purchase decisions in Garut.

H1 : There is a positive influence between factors residential location, ease of access to credit, consumer income, house prices, facilities and public facilities, and legal aspect against subsidized home purchase decisions in Garut.

### Methods

This research conducted in the housing Banyu Herang Regency Garut. The author use some steps to bring out a good result and recommendation,

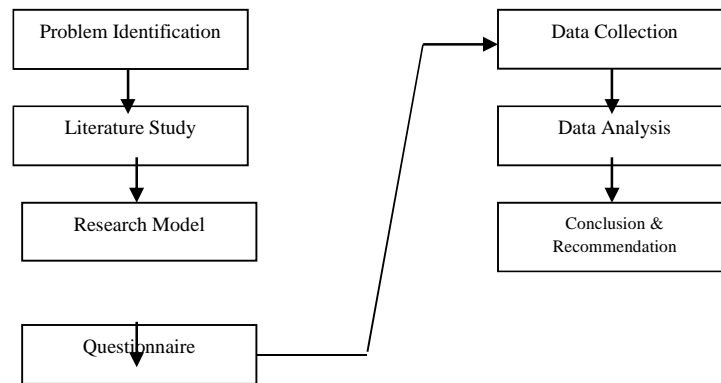


Figure 2: Methodology Chart

Based on the theory of Literature, the regression model can be presented as follows:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + b_5 X_5 + b_6 X_6 + e$$

Where Is:

- Y = Home purchase decision
- b<sub>0</sub> = constant
- b<sub>1</sub>...b<sub>6</sub> = Regression coefficient of variable X<sub>1</sub>... X<sub>6</sub>
- X<sub>1</sub> = location Housing
- X<sub>2</sub> = Ease of Getting Loans
- X<sub>3</sub> = Income Consumers
- X<sub>4</sub> = House Prices
- X<sub>5</sub> = Facilities and Public Facilities
- X<sub>6</sub> = Legal Aspect
- e = Error Term

To obtain regression coefficients BLUE, then the examination assumptions. The calculation is performed with SPSS.

### Data Collection and Analysis,

Validity and reliability of test results stating that all grains question used in this study is valid and reliable. To determine whether the regression coefficient is the coefficient that is BLUE or not, it must be an examination of the assumption as following:

### Multicollinearity

Tabel 1. Multicollinearity Test

Variabel	Collinearity Statistics
	VIF
X <sub>1</sub>	1.702
X <sub>2</sub>	1.281
X <sub>2</sub>	3.688
X <sub>4</sub>	2.744
X <sub>5</sub>	4.397
X <sub>6</sub>	2.125

By calculations using SPSS 17:00, it can be concluded that the value of VIF smaller than 10 so it is concluded that there is not multicollinearity.

## Heteroskedasticity Test

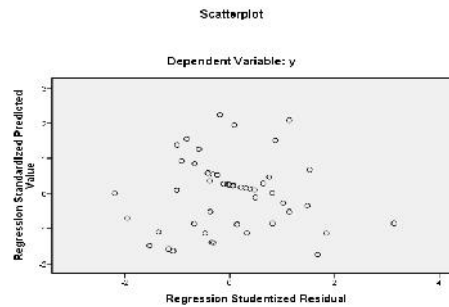


Figure 3. Heteroskedasticity Test

From the above picture can be seen that in this model there is no heteroscedasticity because the image is no clear pattern, as well as points spread above and below the number 0 on the axis Y. This indicates that in the model, the variance of the residuals of the observations to other observations equal or constant. So assuming the absence or presence of heteroscedasticity been met for the regression equation.

## Normality Test

Tabel 2. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal	Mean	.0000000
Parameters <sup>a,b</sup>	Std. Deviation	1.31672675
Most Extreme	Absolute	.068
Differences	Positive	.068
	Negative	-.057
Kolmogorov-Smirnov Z		.483
Asymp. Sig. (2-tailed)		.974

Based on the calculation above using the SPSS program to see the Kolmogorov-Smirnov test table shows that the significance value of 0.947 is greater than 0.05. That can be concluded that the data are normally distributed.

## Autocorrelation

Tabel 3. Autocorrelation

Runs Test	
	Standardized Residual
Test Value <sup>a</sup>	-.06833
Cases < Test Value	25
Cases >= Test Value	25
Total Cases	50
Number of Runs	22
Z	-1.143
Asymp. Sig. (2-tailed)	.253

By the analysis using SPSS 17:00 to see the table above Test Run Test get the result that the p-value 0.253 than 0:05 alpha value is greater than alpha, which means that Ho can be concluded that no autocorrelation.

### Moderated Regression Analysis

**Tabel 4 : Results of Regression Analysis Testing**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.217	1.928		2.187	.034
x1	.291	.066	.239	4.399	.000
x2	.223	.150	.070	1.486	.145
x3	.160	.140	.091	1.140	.260
x4	1.251	.195	.444	6.431	.000
x5	.024	.126	.017	.193	.848
x6	1.420	.220	.393	6.471	.000

Based on the above output value obtained Constanta and regression coefficients that can be formed of multiple linear regression equation as follows:

$$Y = 4,217 + 0.291X_1 + 0.223X_2 + 0.160X_3 + 1.251X_4 + 0.024X_5 + 1.420X_6$$

The equation above can be interpreted as follows:

- $b_0 = 4,217$  means that if House locating ( $X_1$ ), Ease of getting loans ( $X_2$ ) Income ( $X_3$ ) House prices ( $X_4$ ) Facilities ( $X_5$ ), and legal aspect ( $X_6$ ) is zero then the a House purchasing decision of 4.217
- $b_1 = 0.291$  means that if ( $X_1$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 0.291
- $b_2 = 0.223$  means that if ( $X_2$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 0.223
- $b_3 = 0.160$  means that if ( $X_3$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 0.160
- $b_4 = 1,251$  means that if ( $X_4$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 1,251.
- $b_5 = 0.024$  means that if ( $X_5$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 0.024
- $b_6 = 1.420$  means that if ( $X_6$ ), increased by one unit and the other variables constant, then the variable (Y) will increase by 1,420.

### Hypothesis Testing

From the analysis of the data that has escaped from the classical assumption, it can be discussed for each of the hypotheses that have been formulated previously as follows:

Results of the t-test, partially, with significance level  $\alpha = 0.05$ ,  $H_0$  is denied, meaning that the variable house locating affect the house purchasing decision,  $H_0$  is accepted, meaning that the variable Ease of Getting Loans no influence on the House purchasing decision,  $H_0$  is accepted, meaning that the variable income has not influence on the House purchasing decision,  $H_0$  is denied, meaning that the variable House Prices influence on House purchasing decision,  $H_0$  is accepted, meaning Facilities variable has not influence on the House purchasing decision,  $H_0$  is denied, meaning that the variable influence on the Legal Aspect House purchasing decision

Results of the f-test, With  $\alpha = 0.05$ , With  $\alpha = 0.05$ ,  $H_0$  is denied means simultaneously House locating variables ( $X_1$ ), Ease of getting loans ( $X_2$ ) Income ( $X_3$ ) House prices ( $X_4$ ) Facilities ( $X_5$ ), and Legal aspect ( $X_6$ ) influence on variables House purchasing decision ( $Y$ ).

## Conclusions and Recommendation

### Conclusion

By the results of research and discussion on "The Effect House locating, Easy for getting loans, Income, House prices, Facility and public facility and Legal aspect of the House purchasing decision, the author can draw the following conclusion:

1. Based on a statistical calculation of the exposure analysis dual regression analysis, it can be concluded that, partially, the variable House locating influence for House purchasing decision. and for variable Ease of Getting Loans Home Purchase does not affect the decision, Income variable has not influence on the House purchasing decision and variable of House Prices influence on the House purchasing decision, Facilities variable has not influence on the Home Purchase final decision and Legal Aspect variables affect the House purchasing decision.
2. For analysis together simultaneously variables simultaneously House locating variables ( $X_1$ ), Ease of getting loans ( $X_2$ ) Income ( $X_3$ ) House prices ( $X_4$ ) Facilities ( $X_5$ ), and Legal aspect ( $X_6$ ) influence on House purchasing decision variable ( $Y$ ) with a total effect of 92.5%, while the remaining 7.5% is influenced by other factors that are not observed.

### Recommendation

By the results of the discussion and conclusions that have been discussed in the previous section, the author will provide advice to the developer that refers to the results of empirical research in the field is known that housing Locating variables ( $X_1$ ), Ease of getting loans ( $X_2$ ) Income ( $X_3$ ) House prices ( $X_4$ ) Facilities ( $X_5$ ), and Legal aspect ( $X_6$ ) significant effect together is similar to the House purchasing decision variable ( $Y$ ). Thus the developer or developers should carefully consider the construction site of a house, the ease in getting a loan, the income level of local residents, the corresponding home prices, facilities and meet all aspects legal specified by regulation. When the developer or the developer is able to meet the terms of the above with both the consumer will purchase decision provide positive and fast predicament situation would be very beneficial for the company's own developers would also be advantageous for customer. It is due to the needs and desires of both parties can be accommodated properly.

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