

Analysis of Factors Affecting Home Demand in Deli Serdang District

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ABSTRACT

The house is one of the basic human needs, after food and clothing. In its development, the house is also one of the promising investment alternatives on the chance that prices will always rise in the future. Deli Serdang is a district in the province of North Sumatra that has sufficient economic and population growth. The increase in population growth led to significant growth in housing construction in Deli Serdang. This research was made to analyze and find out the factors that influence housing demand in Deli Serdang. The independent variables used in this research are price, facilities, income, family members and location. The data used 100 respondents. Data collection techniques used interviews, observations, and questionnaires and analyzed with multiple linear regression models using the Eviews 7. The results of this research indicate that the variable price, facilities, income and family members have a positive and significant effect on housing demand in Deli Serdang, while the location variable has a negative and significant effect on housing demand in Deli Serdang. The coefficient of determination (R Square) are 96.32%.

Keywords: Prices, Facilities, Income, Family Members, Location, House Demand.

INTRODUCTION

Houses are needed by humans to shelter and live and are one of the important and basic aspects of human life. Housing is a sub-sector of property in addition to offices (office building), shopping centers

(shopping centers), hospitality, and industry. Law Number 1 of 2011 concerning housing and settlements as a substitute for Law No. 4 of 1992 which states that one of the aims of holding housing and settlement areas is to ensure the realization of livable and affordable housing in a healthy, safe, harmonious, organized, planned, integrated and sustainable environment. Therefore, the organization of housing and settlement areas is the duty of the state in which the development is carried out by the government.

Nowadays the function of the house changes a little, with the higher needs of human life, as well as competition and lifestyles that begin to swell, causing more time to be used by humans to work, so the home must be able to also eliminate or reduce high life pressures. Especially for middle-income people, however in Indonesia there are still many low-income people who do not have a house and of course also have a simple perspective, namely the house as a place to live.

The nature of housing or residence does not only include houses from the building's physical characteristics, but includes all the supporting facilities that are both inside and outside. In a special sense, the house refers to the social-social concepts that are intertwined in the building of a place to live, such as family, life, eating, sleeping, doing activities, and others. Even more so if you look at the support of

existing facilities and accessibility, for example environmental safety systems, sewerage systems, road facilities, electricity networks, telephone networks and so on. Then those factors are the driving force or influence people's demand to determine home ownership that must be addressed by the developer.

According to AIREA (2001) in general, the factors or elements that shape the housing market and the behavior of market participants are:

1. Location, is closely related to the region where relevant economic decisions are made.
2. Competition, related to the demand and supply functions, the availability of homes and the number of potential buyers in the market.
3. Unit demand is a part that states demand for a product based on demographics, which defines the number of current and future buyers.

The need for a home is almost never decreasing, so finding a home for a place to live is something that will be experienced by almost all new families, even families who have been married for a long time but have not yet tried to keep trying to be able to buy a house. So that the house as a place to live as well as a profitable investment vehicle and almost does not experience depreciation.

The selling price of a house is formed through a negotiation process between the seller and the buyer. The seller determines the price of the house based on costs incurred to build a house, for example the price of land, the price of building materials, and the price of other components that make up the house. Whereas the buyer determines the price of the house to be bought based on the benefits and value obtained such as land area, building area, housing facilities, access to the city center, and so on.

If the housing needs are determined entirely by the market mechanism, with the profit-oriented behavior of housing companies, the price of housing will be

higher, and there will be more Indonesians who do not have a house, due to budget constraints. Therefore, the Government must be present to meet the basic needs of people's lives in the field of housing (boarding houses), especially for Low-Income Communities.

Various facilities in the context of supporting the provision of housing for low-income groups have been released by the government. This is due to the high housing backlog, which according to BPS perspective, in 2014 there were 13 million housing units. In the world of property, the term 'backlog' can be interpreted as the gap between the number of houses built with the number of houses needed by the people. Therefore, the government makes it easy to meet the backlog needs of homes for Low Income Communities. Even the President of Indonesia, issued a package 13 that specifically discusses the ease of housing, through the Subsidy or Housing Financing Liquidity Facility program and the million housing program each year.

One of the solutions offered by the government is the one million housing program. This program consists of the supply and demand sides. From the supply side, the government continues to simplify licensing so that industry players can build houses at affordable prices and large amounts.

While on the demand side, the government is providing a series of programs so that houses can be affordable by the community. Examples are housing finance liquidity facilities consisting of cheap down payment costs, low mortgage rates and longer mortgage repayment tenures.

With regard to assistance and ease of housing finance for Low Income Communities, the Ministry of Finance provides support by issuing Simple House Price Limits, exempt from Value Added Tax (PPN) and income tax by 1% for developers.

In the theory of demand it is said that the demand for goods is determined by

the price of the goods (*ceteris paribus*), if other factors are considered constant. While other factors that are assumed to be constant but are expected to also influence demand are population, promotion, location and price of other goods that are substitution or complementary, as well as macroeconomic variables, such as interest rates, inflation and economic conditions. (Boediono, 1986).

Housing consumer behavior is so diverse, including the behavior of home consumers who come from the Low-Income Society group. That's why housing developers segment the market by providing various types of houses with the aim that consumers can choose which segmentations are in accordance with their suitability. Behavior of home consumers can not be separated from what they need from the house to be purchased, and what they can do to buy the house. Various factors of home purchase decisions also have different perspectives from every home consumer, both small, medium and large type houses.

Many factors affect a person in choosing the type of home that will be used as a residence. One factor in choosing the type of house is the income earned each month so that the ability / purchasing power owned is proportional to the price of the house offered. In addition there are several other factors that influence consumption in the choice of home type.

Deli Serdang Regency is a district in the province of North Sumatra, Indonesia. The district's mother city is in Lubuk Pakam. Deli Serdang Regency is known as one of the 33 regencies / cities in North Sumatra Province. Serdang Regency has a large diversity of natural resources so it is an area that has quite promising investment opportunities.

Hypothesis

Based on the concepts presented, the research hypothesis is formulated as follows:

1. Price Variable Has A Positive Effect On Home Demand.

2. Facilities Variable Has A Positive Effect On Home Demand.
3. Consumer Income Variable Has A Positive Effect On Home Demand.
4. Variable Family Members Have A Positive Effect On Home Demand.
5. Location Variable Has A Positive Effect On Home Demand.

MATERIAL AND METHODS

This research was conducted by the field research method (survey research) by means of a survey that is a study that took a number of samples from the population using a questionnaire as a primary data collection tool. This research uses quantitative and qualitative approaches. Variables or factors that influence the demand for houses that can be translated into numbers, will be analyzed with a quantitative approach, but information from consumers who cannot be translated in numbers will be described in the form of narratives that are qualitative.

Population is a generalization area that consists of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study is the people in Deli Serdang Regency (Sugiyono, 2011).

The sampling technique is done by purposive sampling, which according to Sugiyono (2011) is the selection of samples based on certain characteristics that are considered to have relevance to population characteristics that have been known previously. How to take a sample using Slovin formula so that the number of samples in this study amounted to 100 respondents.

RESULTS AND DISCUSSION

Effect of Prices on Housing Demand

The probability value for the Price variable is 0.0000 at an error rate (α) of 5%, this can be explained that partially the Price variable has a positive and significant effect ($0.0000 < 0.05$) on Demand for Houses in Deli Serdang Regency.

The lowest price of IDR 75,000,000, the highest of IDR 480,000,000.00 with an average house price of IDR 229,360,000.00 per unit. This means that theoretical studies and previous studies are in line with this research. give an indication that the application of the right price on the house significantly influences the consumer's decision to buy a home. When consumers are interested in buying a house, consumers will assess their ability to pay the price of the house, the ability to pay an advance, consider the period of credit provided, understand the building specifications that match the price of the house, and adjust the benefits / uses of the house with the price.

The results of respondents' perceptions of choosing a house in Deli Serdang Regency are because the prices are cheap compared to the prices of houses in other housing. The lowest house price is IDR 75,000,000, and the highest is IDR 480,000,000.00 with an average house price of IDR 229,360,000.00 per unit. The results of the study show that the variable price has a positive influence on the demand for housing in Deli Serdang Regency, this shows the results of the study and the hypothesis is not in line with research. The results of this study contradict Fernando NPurba's research (2015) regarding price variables where the price variable has a negative or opposite direction to the demand for Citra Garden Medan housing. This is due to the high level of housing demand and limited housing availability, which causes consumers to continue to buy houses even if prices increase. When consumers are interested in buying a house, consumers will assess their ability to pay the price of the house, the ability to pay an advance, consider the period of credit provided, understand the building specifications in accordance with the price of the house, and adjust the benefits / usefulness of the house with the price.

Effect of Faslitass on House Demand

The probability value for the Facility variable is 0.0000 at an error rate (α) of 5%,

this can be explained that partially the Facility variable has a positive and significant effect ($0.0000 < 0.05$) on Demand for Houses in Deli Serdang Regency. The number of facilities available is not complete until very complete. The results of this study support the research of Ismi M and Nenik W (2012) which states that the facility has a significant effect on the demand for housing. The more complete the facility, the higher the demand for housing.

Facilities have a positive influence on housing demand in Deli Serdang Regency, the number of facilities available in this study is incomplete to very complete. The results of this study support the research of Ismi M and Nenik W (2012) which states that facilities have a significant effect on housing demand. the higher the demand for housing.

Effect of Income on Housing Demand

The probability value for the Income variable is 0,0002 at an error rate (α) 5%, this can be explained that partially the Revenue variable has a positive and significant effect ($0,0002 < 0.05$) on the Demand for Houses in Deli Serdang Regency.

The results of the study showed that income had a positive and significant effect on housing demand in Deli Serdang District, meaning that the increase in income affected the increase in housing demand. It gives an indication that income is one of the factors for the creation of a home purchase decision; the high income owned by consumers will bring an impact on the desire to have a home that is able to support their prestige and personal interests in the present and in the future. Besides ability in terms of income is also one of the main factors that can make consumers buy houses both in cash and credit.

The results of this study are supported by research Fernando NPurba (2015) regarding the effect of income on housing demand, where the higher income will affect the increase in housing demand.

Income is one of the factors creating a decision to buy a house, the high income

owned by consumers will bring the impact of having a home that is able to support their prestige and personal interests in the present and in the future. The average homeowner has an income level of ± Rp. 3,500,000 - 8,000,000. The results of this study are supported by research Fernando NPurba (2015) regarding the effect of income on housing demand, where the higher income will affect the increase in housing demand.

Effect of Family Members on Housing Demand

The probability value for the Family Member variable is 0,0002 at an error rate (α) of 5%, this can be explained that partially the Family Member variable has a positive and significant effect (0,0002 <0.05) on the Demand for Houses in Deli Serdang Regency.

The number of family members is a very important factor in determining the purchase of a home. With the increase in family members will encourage to buy a bigger house and more rooms. From the results of the study, families who have a large number of family members need a bigger house to meet the needs of family members' activities.

The results of the study showed that the number of family members had a positive and significant influence on housing demand in Deli Serdang Regency. More and more family members means relatively greater desire to buy a bigger house, so it tends to encourage people to work harder to buy a house to support their daily activities.

Family members are a very important factor in determining the purchase of a house. A family that has a large number of family members requires a larger house to meet the needs of family members' activities. The results showed that family members had a positive and significant influence on housing demand in Deli Serdang Regency. More and more family members means relatively greater desire to buy a bigger house, so it tends to encourage

people to work harder to buy a house to support their daily activities.

Effect of Location on Housing Demand

The probability value for the Location variable is 0.0000 at an error rate (α) of 5%, this can be explained that partially the Location variable has a negative and significant effect (0.0000 <0.05) on the Demand for Houses in Deli Serdang Regency.

The location expected by consumers to purchase a house is easily accessible, access to housing is smooth, close to the city center and close to the workplace. The results of this study indicate that the location determined in the purchase process is not particularly a concern of consumers, because consumers are more concerned about the price of the house to be purchased.

The location expected by consumers to purchase a house is easily accessible, access to housing is smooth, close to the city center and close to the workplace. The results showed a negative result on the demand for housing in Deli Serdang Regency. This showed the results of the study and the hypothesis was not in line with the study. Based on research conducted, this is due to the need for very high demand for houses and the price of homes that have strategic locations are very expensive, so prospective home buyers must shift from a strategic location to a less strategic location with the price of available homes much cheaper than existing homes in strategic locations. Of course this causes the location in the purchase process is not too a special concern of consumers, because consumers pay more attention to the price of the house to be purchased.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The conclusions in this study are:

1. Price Has a Positive and Significant Effect on Housing Demand in Deli Serdang Regency.

2. Facilities have a positive and significant effect on housing demand in Deli Serdang Regency.
3. Revenue Has a Positive and Significant Effect on Housing Demand in Deli Serdang Regency.
4. Family Members Have Positive and Significant Influences on Housing Demand in Deli Serdang Regency.
5. Location Has Negative Effects and Significant Demand for Homes in Deli Serdang Regency.

RECOMMENDATIONS

The suggestions in this study are:

1. This research shows that the demand for housing has become a major need at this time, which requires the government to pay more attention to the conveniences in providing services and supervision of the construction of a housing or house in order to facilitate the community in getting houses, especially decent homes.
2. For housing managers, they should pay more attention to facilities in the provision of housing, for example adequate road facilities, availability of public facilities such as health centers, worship facilities and market facilities to meet the needs
3. Suggestions for developers in planning and building a home or residential location are:
4. Considering consumer needs through surveys
5. Paying attention to housing facilities and infrastructure
6. It is recommended to other researchers who want to conduct similar research to add other variables not included in this study. Perform data processing using different analysis methods and software to see other variables that have a significant effect on house demand that is not included in this study.

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