

INTI INTERNATIONAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

HOUSE BUYERS' PURCHASE DECISION MAKING IN NEGERI SEMBILAN

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Abstract

Based on the research from National Property Information Centre (NAPIC), the results showed that number of property transaction of residential property is extremely high in Negeri Sembilan for first half of 2010 even though the housing price is increasing year by year. Therefore this study was focused on determining the factors influencing house buyers' purchase decision making in Negeri Sembilan, Malaysia. The target sample for this study was mainly focused on recent house buyers who made house purchase decision making in Jelebu and Seremban within year 2009 to 2010. The factors that influence buyers' house purchase decision making (dependent variable) on this study were divided into five(5) constructs or independent variables that are Demographic Factors (age, gender, income); Personal Characteristics (motivation, lifestyle); Situational Factors (reference groups); Sales Offering (product, price, location); and Housing Loan. Questionnaire survey was used to capture the quantitative information provided by the buyers, and then Statistical Package for Social Science (SPSS) method was used to carry out most analysis in the study. The results showed that there were significant relationships of the constructs with house purchase decision making, and those constructs have significantly influenced house purchase decision making. Findings in this study, has provided beneficial information and knowledge to housing developers to be more understanding on house buyers' needs, perceptions and expectation that will affect house purchase decision making.

Keywords: *House, Buyers, Purchase Decision Making, Demographic Factors, Personal Characteristics, Situational Factors, Sales Offering, Housing Loan.*

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Wong Shiau Ching
December, 2010

Declaration

"I hereby declare that this research project is of my own effort
except for those information of which the sources are
clearly specified"

15th December 2010

Wong Shiau Ching

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List of Abbreviation

NAPIC	:	National Property Information Centre
JPPH	:	Valuation & Property Services Department
REHDA	:	Real Estate and Housing Developers' Association
GDP	:	Gross Domestic Product
AHPI	:	All-House Price Index
EPF	:	Employees Provident Fund
SPSS	:	Statistical Packages for Social Sciences
HPDM	:	House Purchase Decision Making
DC	:	Demographic Factors
PC	:	Personal Characteristics
SF	:	Situational Factors
SO	:	Sales Offering
HL	:	Housing Loan

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CHAPTER I

INTRODUCTION

This chapter provides an overview concept on studying house buyers' purchase decision making in real estate industry. This study was focused on factors influencing house buyers' purchase decision making in Negeri Sembilan. Initially, the chapter provides a general background of the current Malaysian housing property market. Next, problem statements, research questions, research objectives and the significance of the study were discussed. Lastly, the limitation and relevant assumptions of this study are outlined for further discussion and ended up with operation definition.

1.1 Background of The Study

According to research from National Property Information Centre (NAPIC), residential property is the highest number of property transactions in Malaysia compared with others (see Table 1.1), and the residential property transactions between developer and individual are extremely high in Negeri Sembilan (see Table 1.2). Therefore, this study is focusing only on residential property with the main objective to identify the factors influencing house buyers' purchase decision making in Negeri Sembilan, Malaysia. Residential property included many types of houses such as terrace, detach, flat, apartment and condominium, but only terrace houses will be focus on this study. This is because single storey terrace and 2-3 storey terrace houses are the main supply of residential property in Negeri Sembilan (see Table 1.3).

According to Reed *et.al* (2007), housing market is one of the major keystones on broader economy that has been acknowledged traditionally. Demand is the rate that buyers want to buy a product or services; supply is the willingness and ability

of sellers to supply goods and services that to meet the demands of buyers (Whelan *et.al*, 1996). In the housing market, demand of house buyers will give positive influence to the progress of housing development; so purchase decision making for a house buyer plays a vital role to developing the Malaysia's real estate industry.

House provides one of the basic needs of a human and it gives self-preservation and shelter, this also saves as a long term investment for owner occupier. Housing property is high involvement goods that require buyers to get involve thoroughly to search for information, analyze and evaluate the value of a house based on physical attributes and also non-financial perspectives. During the economic crisis of 2007, developers were facing challenge on attracting buyers to buy houses in a situation of low confidence in housing market and less credit facility (Nahmens *et.al*, 2009). The adverse impact of the global financial crisis has dampened sentiment in the local property scene. For developers, they are more prudent on product offering, whereby buyers are more cautious on making house purchase decision to avoid buying abandoned or delayed housing project. For financial institutions, whereby, stringent conditions for apply housing loan for buyers, and bridging loan for developers. Since the property sector is playing a vital role in the market, the Malaysian government is encouraging the citizens to buy houses by giving free stamp duty for sales and purchase agreement and loan agreement for low cost house purchaser; and 50% stamp duty exemption for sales and purchase agreement for medium house purchase below RM250,000.00. Besides, government also extends the year of government loan repayment from 25 years to 30 years. Therefore, this situation shows that buyers, developers and financial institutes are playing important role in property sector (Ministry of Housing and Local Government Malaysia).

Today, buyers are exercising more caution in making house purchase decision; they cannot afford to make any incorrect housing decision that can affect them

financially on at long term basis. Therefore, an in-depth study on factors influencing house buyers' decision on buy house is necessary. This is because decision making on house buyers can help decision makers, especially developers to predict and meet the changing needs of potential buyers, based on factors influencing house buyers' purchase decision making.

Table 1.1: Number of Property Transaction in Malaysia

	Residential	Commercial	Industrial	Agricultural	Development	Others	Total
H1 2009	96,858	14,569	3,596	32,792	7,365	10	155,190
H1 2010	110,348	19,097	4,648	40,720	9,784	69	184,666

Source: NAPIC (2010). Available from: <http://nopic.jpoh.gov.my>

Table 1.2: Number and Value of Property Transactions of Residential Property of Transferor and Transferee in Negeri Sembilan

	H1 2009		H1 2010	
	(Unit)	(RM Million)	(Unit)	(RM Million)
Individual & Individual	2801	319.41	2756	323.98
Developer & Individual	19	3.28	683	100.07
Company & Individual	715	103.3	745	117.72
Company & Company	125	11.12	320	49
Others	82	15.85	550	30.87
	3742	452.96	5054	621.64

Source: NAPIC (2010). Available from: <http://nopic.jpoh.gov.my>

Table 1.3: Supply of Residential Units by Types of Houses in Negeri Sembilan at Year 2008

	Single Storey	2-3 Storey	Others	Total
	Terrace	Terrace		
Existing Stock	76,916	33,149	117,254	227,319
Completion	1,132	545	943	2,620
Incoming Supply	20,350	11,056	29,599	61,005
Starts	1,211	844	773	2,828
Planned Supply	24,305	14,661	69,459	108,425
New Planned Supply	1,108	908	441	2,457

Note: Others types of residential properties included semi-detach, detach, town-house, low cost house, low cost flat, flat, services apartment, condominium

Source: NAPIC (2008). Available from: <http://nopic.jpoh.gov.my>

1.2 Housing Property Market in Malaysia

Property sectors plays a key role in contributing to economy of every country as it is a sector that has linkages with 140 economic activities, such as architecture, engineering, timber, steel, interior design, transport and so forth (Rehda Malaysia, 2010). Table 1.4 below showed that real estate and business services are significant contributor to Malaysia Gross Domestic Product (GDP) from RM27,662 million in 2008 to RM28,230 million at 2009. On the other hand, an active property sector will bring more job opportunities for Malaysians, for example, the property sector provides an estimated 1,000,030 employment opportunities in companies such as developer firms, construction companies and professional and engineering services companies (Rehda Malaysia, 2010).

In the first half of 2010, the population of Malaysia increased to 28.25 million compared to 27.54 million in 2008. A population increase of 0.4% in the age group 15-64 is also recorded in 2010 (see Figure 1.1). The increase of population in this age group is important because they are the ones who have the most potential to buy houses. Besides that, the demand of housing property is also influenced by other internal and external factors. For example, increase size of family, increase household income, changing stage of family life cycle and so forth which will be discussed in detail in Chapter two. Since housing property have significant relationship with economy of a country, Malaysian government strictly monitors, controls and manages the housing property sector to ensure all developers fully obey the National Housing Policy. The government also needs to protect house buyers to avoid case of abandoned housing project or even in the case of delayed housing project by developers. Table 1.5 and 1.6 below show that Malaysian government has approved a total of 1,339 developer licenses and 2,618 permit sales and advertising to local developers from January to December 2009.

Table 1.7 below shows the Malaysian All House Price Index (AHPI) has increased by 1.5% in 2009 (AHPI: 131.8) compared to 2008 (AHPI: 129.8). Even though the

prices of houses have increased over the years, the demand of housing price was still high for the period 2009 to 2010. Additionally, based on the research of NAPIC, the total number of property transactions for residential property in Malaysia has increased from 96,858 units to 110,348 units. The monetary value of the transaction increased from RM17,803.18 million to RM23,483.74 million which is shown in Table 1.8. This show that the most saleable housing products are medium cost terrace house which are priced between RM100,001 to RM150,000. This is because Malaysian prefers landed residential properties compared to strata titled properties.

Table 1.4: Population and Real Estate Business Services Contributing to GDP in Malaysia

	2008	2009	H1 2010
	Million/RM Million	Million/RM Million	Million/RM Million
Population	27.54	27.90	28.25
Real estate and business services contributing to GDP	27,662	28,230	NA

Source: NAPIC (2010). Available from: <http://napic.jpoh.gov.my>

Source: Department of Statistics Malaysia (2010). Available from: <http://www.statistics.gov.my>

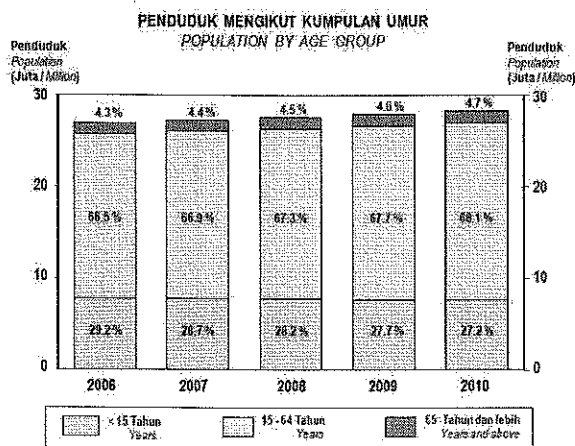


Figure 1.1: Population by Age Group in Malaysia

Source: Department of Statistics Malaysia (2010). Available from: <http://www.statistics.gov.my>

Table 1.5: Number of Housing Developer License from January to December 2009

Month	New	Renew	Total
Jan	69	29	98
Feb	54	29	83
Mac	62	30	92
Apr	85	18	103
May	56	49	105
Jun	107	37	144
July	92	45	137
Aug	81	22	103
Sept	71	22	93
Oct	86	38	124
Nov	77	49	126
Dec	97	34	131
Total	937	402	1339

Source: Ministry of Housing and Local Government Malaysia (2009). Available from: <http://www.kpkt.gov.my>

Table 1.6: Number of Permit Sales and Advertising from January to December 2009

Month	New	Renew	Total
Jan	57	158	215
Feb	62	145	207
Mac	56	150	206
Apr	78	142	220
May	68	173	241
Jun	95	141	236
July	81	169	250
Aug	81	113	194
Sept	82	109	191
Oct	79	166	245
Nov	80	108	188
Dec	102	123	225
Total	921	1697	2618

Source: Ministry of Housing and Local Government Malaysia (2009). Available from: <http://www.kpkt.gov.my>

Table 1.7 : The Malaysia House Price Index by House Types

Weight (2000=100)	All House		Terrace		High-Rise		Detach		Semi-Detach	
	Index	1-Yr% Change	Index	1-Yr% Change	Index	1-Yr% Change	Index	1-Yr% Change	Index	1-Yr% Change
	100.0		72.7		10.9		5.7		10.9	
Annual (1990=100)										
1988	92.2		93.4		78.1		97.1		95.6	
1989	96.1	4.3	95.0	1.8	92.6	18.6	98.7	1.7	96.2	0.7
1990	100.0	4.1	100.0	5.3	100.0	8.0	100.0	1.4	100.0	4.0
1991	125.5	25.5	113.5	13.5	107.2	7.2	114.3	14.3	110.0	10.0
1992	140.7	12.2	123.5	8.9	107.3	0.1	125.8	10.1	118.2	7.5
1993	147.5	4.9	128.9	4.4	105.8	-1.4	135.2	7.5	122.1	3.3
1994	159.3	8.0	140.1	8.7	112.2	6.1	148.7	10.0	130.0	6.5
1995	188.5	18.4	158.4	13.1	116.9	4.2	172.0	15.7	142.7	9.8
1996	212.8	12.9	174.5	10.2	115.7	-1.1	196.2	14.1	154.2	8.1
1997	216.8	1.9	192.0	10.1	110.2	-4.8	204.6	4.3	158.6	2.9
1998	196.4	-9.5	182.7	-4.9	103.4	-6.2	176.7	-13.7	145.7	-8.2
1999	191.8	-2.4	176.4	-3.5	99.6	-3.7	164.9	-6.7	139.3	-4.4
Annual (2000=100)										
1999	94.3		93.7		98.1		95.0		94.1	
2000	100.0	6.0	100.0	6.7	100.0	1.9	100.0	5.3	100.0	6.3
2001	101.0	1.1	100.0	0.0	102.8	2.8	104.6	4.6	102.6	2.6
2002	103.6	2.5	104.7	4.7	96.7	-5.9	105.4	0.8	102.0	-0.6
2003	107.7	4.0	107.7	2.9	111.3	15.1	106.8	1.3	106.1	4.0
2004	112.9	4.8	111.7	3.7	113.0	1.5	116.1	8.7	115.8	9.1
2005	115.6	2.4	114.0	2.1	114.1	1.0	120.9	4.1	119.9	3.5
2006	117.8	1.9	115.8	1.6	115.5	1.2	128.3	6.1	121.4	1.3
2007	123.8	5.3	121.1	3.9	118.8	2.9	137.5	7.2	130.3	7.2
2008	129.8	4.7	127.2	4.9	121.7	2.4	146.1	6.3	135.8	4.1
2009	131.8	1.5	129.7	2.0	123.4	1.4	142.8	-2.3	138.6	2.1

Source: Ministry of Housing and Local Government Malaysia (2009). Available from: <http://www.kpkt.gov.my>

Table 1.8: Number and Value of Property Transactions of Residential Property of Transferor and Transferee in Malaysia

Price Range	H1 2009		H1 2010	
	(Unit)	(RM Million)	(Unit)	(RM Million)
0 - 25,000	6,965	107.09	7,785	124.84
25,001 - 50,000	11,230	440.64	12,923	504.20
50,000 - 75,000	12,295	787.40	12,195	780.94
75,001 - 100,000	11,974	1,058.73	12,127	1,070.33
100,001 - 150,000	17,394	2,218.55	19,120	2,441.30
150,001 - 200,000	12,593	2,210.58	14,172	2,491.46
200,001 - 250,000	7,317	1,672.73	8,507	1,950.60
250,001 - 500,000	12,371	4,233.20	15,913	5,511.35
500,001 - 1,000,000	3,343	2,296.82	5,334	3,660.78
>1,000,001	1,376	2,777.44	2,272	4,947.94
Total	96,858	17,803	110,348	23,483.74

Source: Ministry of Housing and Local Government Malaysia (2009). Available from: <http://www.kpkt.gov.my>

1.3 Problem Statement

In the market situation where rising houses prices coupled with increasing demand, housing developers in Negeri Sembilan have launched many housing projects to satisfy the housing demands. The process of house purchase involves significant economic transaction and complex social process since buying a house is a very important investment and involve huge expenditure, and is part of their (the buyers) attempt to maximize utility (Levy *et.al*, 2008). Therefore, it is crucial for Negeri Sembilan housing developers to understand house buyers' needs, perception and expectation by find out factors influencing house buyers' purchase decision making in Negeri Sembilan.

Understanding factors influencing house buyers' satisfaction and expectation can positively improve developers' reputation and increase local recommendation. According to Cheah (2002), developers already won half battle by identifying the location of projects; the 'development package' would constitute the other half. The meaning of the 'development package' consists of location names, reputation and track records of developers. The successful of the development package is depending on the demand of house buyers, because it is internal and external

factors of individuals will influence their house purchase decision making. In the highly competitive housing market nowadays, developers from Negeri Sembilan are adopting various marketing strategies to target and attract house buyers to purchase houses from their housing development projects. Thus, house purchase decision making is influenced by internal and external factors.

For most of the marketing and buyer behavior research, which study house buyers' purchase decision stated that demographic factors (i.e. age, gender, household income); internal factors (i.e. motivation, lifestyle); external factors (i.e. reference group); housing price are the important factors to indicate the house purchase decision making (Susilawati *et.al*, 2001; Nahmens *et.al*, 2009; Levy *et.al*, 2008; Gilber *et.al*, 2003; Bearden *et.al*, 1982). However, there is a lack local research, especially studying on house buyers' purchase decision making in Negeri Sembilan. Even though there have many property research had been done on studying housing market in Negeri Sembilan, but the research on house buyers' purchase decision making in Negeri Sembilan has not yet carry out by researcher. This study hopes to add to the lack of knowledge in this area by studying factors affecting house buyers' purchase decision making in Negeri Sembilan.

Since house buyers' purchase behavior is different from countries to countries, internal and external factors are only part of the factors that influence house purchase decision making for Malaysian. There are also other factors that can influence house buying such as sales offering by housing developers (i.e. product, price, location) and housing loan that are charged by commercial banks (i.e. qualification of getting housing loan, borrowing rate of housing loan). Therefore, this research is necessary to be carried out to analysis the house buyers' purchase decision making in Negeri Sembilan. The findings of this study can help developers to understand potential purchasers' buying behavior in Negeri Sembilan that can affect or influence sales in the housing market. A good understanding of these factors can also assist the housing sector and will also benefit the economy of

Malaysia. Hence, the knowledge gap being pursued in this research was to determine and explain the various factors affecting house purchase decision making.

1.4 Research Questions

Primarily, this research was focused on determine the various factors that affect house purchase decision making among house buyers. Therefore, the main research questions of this study were created as at below:

- (i) What are the demographic outlooks in relation to purchase characteristics of house buyers?
- (ii) What is the level of buyers' perception on demographic factors, personal characteristics, situational factors, sales offering, housing loan and house purchase decision making?
- (iii) What is the difference in mean score among the independent factors?
- (iv) What is the strength of relationship between demographic factors, personal characteristics, situational factors, sales offering and housing loan with house purchase decision making?
- (v) What is the house buyers' purchase decision making?

1.5 Research Objectives

General Objective:

The general objective of this research was to find out how various factors that can affect purchase decision making of house buyers.

Specific Objectives:

The specific objectives supporting the general objective would be to determine:

- (i) demographic outlook in relation to purchase characteristics of house buyers
- (ii) the level of buyers' perception on demographic factors, personal characteristics, situational factors, sales offering, housing loan and house purchase decision making
- (iii) the significant differences in mean score among the independent factors
- (iv) the strength of relationship of demographic factors, personal characteristics, situational factors, sales offering, housing loan with house purchase decision making
- (v) the predictors of house buyers' purchase decision making.

1.6 Significance of the Study

First of all, this study presents a better understanding about factors influencing house buyers purchase decision making in Negeri Sembilan. This research provide a theoretical and practical framework for developers, especially developers who are currently having or planning to launch housing project in Negeri Sembilan, to have a better understanding on their buyer's needs, perceptions and expectations. Besides, this study can also help decision-makers involved in the housing property market to make more appropriate decisions and actions based on their better

understanding and prediction on house buyers' purchase behavior, such as to provide an effective marketing plan that can attract target market which can enhance their sales and profit. Moreover, this study can also benefit residential property agents to design appropriate skills and techniques to market and sell housing products to potential buyers based on the findings of this study.

1.7 Limitations of the Study

- (i) This study only focused on house buyers' purchase decision making in Negeri Sembilan from the year 2009 to 2010. Due to the time limitation factor, it is not possible to study a more comprehensive study on house buyers' purchase decision making for a longer period say, a 5-10 year period.
- (ii) Next, the data collection was primarily done at district of Jelebu and Seremban in Negeri Sembilan. Since Jelebu is a rural district and Seremban is urban district, there are major differences in term of the geographic and location data of these 2 areas. For instance houses prices are higher and types of housing offerings/ packages are of more variety in Seremban compared to Jelebu due mainly to more intense competition in Seremban.
- (iii) The sample size obtained is relative small.
- (iv) For this study, literature review is done mostly based on journal articles from foreign countries. Due to cultural differences, some contents about house buyers' purchase behavior may not be suitable to apply in the Malaysian housing market.

1.8 Assumptions of the Study

- (i) Since capacity to purchase a house is related to economic condition. Thus, this study assumes that Malaysian economy is stable where the housing properties' demand and supply does not experience great fluctuations.
- (ii) We assumed that target sample selected for this study by convenience sampling method are able to signify entire population of house buyers in Negeri Sembilan. Besides that, the information and data obtaining from Jelebu and Seremban are strongly represented general information to Negeri Sembilan. Thus, the result is extremely reliable for the analysis of findings and recommendations.
- (iii) Since the targeted sample is those house buyers from Jelebu and Seremban, which coverage rural and urban areas of respondents. So, some of the buyers may have limited educational background, but we assume those house buyers will have some basic ability to read and answer the questionnaire.

1.9 Operational Definitions

i) Housing Property

Housing property is defined as residential property. Housing property in this study is focuses on terrace house (single storey terrace and double storey terrace house). Since property transaction can be divided into four categories which is from developer to individual; individual to individual, company to individual and company to company. Only residential property transfer from developer to individual will be the focus of this study.

ii) House Buyers

House buyers are respondents who have made house purchase decision in Jelebu and Seremban from the year 2009 to 2010.

iii) House Purchase Decision Making

Buyers purchase behaviors vary for different categories product and services. House buyers need to go through in the process for high-involvement of house purchase decision making, which is starting from problem recognition, follow by information search, evaluation of alternative, and product choice.

iv) Demographic Factors

Demographic factors are criteria use to classify people for statistical purpose such as age, gender, income, education level, marital status and so forth. Demographic factors, in this study, consist of age, gender and income.

v) Personal Characteristics

Personal characteristics are those internal factors that are unique and can influence the house buyers' purchase decision making. For example lifestyle and motivation will influence the personal intention on house purchase.

vi) Situational Factors

Situational factors can be defined as external factors that influence purchase decision on house purchase. The recommendations and comments from friends, neighbors and family members are defined as reference groups influenced.

vii) Sales Offering

Sales offerings for this study are defined as marketing mix: product, price and location that influencing house purchase decision making. This means that developers offer the correct marketing mix, based on finding out what the buyers desire or would like to have.

viii) Housing Loan

Mortgage and housing loan are often used interchangeably. Housing loan is a loan secured by equity value in the borrower's house property. Whereby, mortgage is the financing of the acquisition of assets, construction of plants, and modernization of facilities. In Malaysia, housing loan is for people buying new property including under construction property. The housing loan for the purpose of this study is for house buyers to get finance to buy their housing property. Therefore, qualification to obtain loan and interest rate of borrowing will influence house purchase decision making on this study.

1.10 Outline of the Chapters

This study consists of five (5) chapters, which are Introduction, Literature Review, Research Methodology, Findings and Discussions, Conclusion, Recommendations and Personal Reflections. The first chapter carried out the main purpose of the study by clearly stating the problem statement and significance of the study. Chapter Two, reviews previous and related studies on house buyers' purchase decision making. Chapter Three outlined methods that were used to collect and analyze the data for this study. Chapter Four described and discussed the findings of this study. Finally, Chapter Five summarized the research and provided the recommendations and personal reflections.

CHAPTER II

LITERATURE REVIEW

Chapter Two gives attention to the literature review on the factors influencing house buyers' purchase decision making.

2.1 House Buyers Purchase Decision Making

2.1.1 Maslow's Hierarchy of Needs

Regarding to the Maslow's hierarchy of needs (1954), human beings are motivated by unsatisfied needs, and the basic needs of an individual will be satisfied before higher needs can be satisfied (Heylighen, 1992). The basic needs of an individual can be classified into five basic needs as shows at Figure 2.1. A house is one of the important needs that human beings hunts to satisfy their needs and it depend on the needs or goals that they (buyers) intend to achieve. Different people will have different perspective of needs, when the physiological needs of an individual satisfied have been satisfied; the next step is to meet safety needs. Boeree (2006) stated when an individual job security and income is stability; they will urge to have a house in a safe neighborhood. The house purchase is for personal's nest egg and also good for a retirement plan. A house provides a safe and secure place for an individual, thus they will to buy house for their loves and belonging. Next, buying a house is also to satisfy ones self-esteem to prove their capability of achievement and success based on personal growth motivation. The need for self-actualization is the highest needs of human being if others basic needs are satisfied. This need is to satisfy the deficiency of self-esteem such as to buy a bigger house or a house with better architectural design. Therefore, Maslow's theory (1954) can be applied to house purchase decision making as the needs of individual were identified.

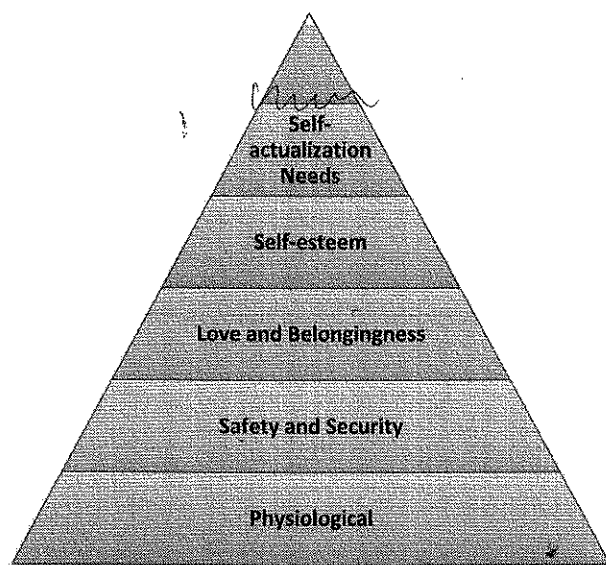


Figure 2.1: Maslow's Hierarchy of Needs

Source: Huitt, W (2007)

2.1.2 House Purchase Decision Making

In general, buyers purchase products or services for the benefits derived from their use. It is the most important and challenges decision making on purchase high involvement goods, which is houses and cars purchases since complex buying decision making are require (Koklic *et.al*, 2009). The previous empirical research on durable goods purchase behavior can be applied to this research because a house is one of the most important durable goods in a household; and many studies have stated that buyers' decision making on car indicates that there are similarities among buying processes related to different durable goods. Car and house purchase behavior have the strongest parallel because both product categories offer a wide variety of price and quality, with complex and relatively well known buyers. This is because there is no trial and error learning basic in the purchase decision for expensive and complex product. Figure 2.2 below shows the stage of buyers' decision making on car purchase; it shows buyers' buying behavior need to pass through five (5) steps as similar as house buyers buying behavior.