

GEN-Y INVESTMENT DECISION TOWARDS PROPERTY SECTOR IN PENANG

Wong Wai Sha and Hussien Nasir

School of Business Innovation and Technopreneurship, Universiti Malaysia Perlis,
Jalan Kangar- Alor Star, 01000, Kangar., Perlis

Abstract: Property market has been one of the major investments in the world recent years. Investment in property sector contributes to a major part of the economic development and gross domestic product (GDP) of the nation. However, the overall performance and outlook for the property market in Malaysia is still underwhelming. Financial issues are the main issue facing by the GEN-Y and this factor leads them difficult to invest for a property. In addition, the availability of affordable property is another issue faced by Malaysia's GEN-Y. This study is carried to identify the behavioral sciences' factors affect GEN-Y investment decision towards property sector. Theory of Buyer Behavior Model by Howard and Sheth is used in this study to explain the independent variables in affecting GEN-Y investment decision. In general, this research is a quantitative study. Simple random sampling is applied in this study for the purpose of data collection. The primary data was collected from 208 respondents who are GEN-Y that interested to invest in Penang's property. The data was evaluated through Statistical SPSS. Under the Multiple Linear Regression Analysis, the findings indicated that financial literacy, financing and government initiatives have significant impacts on affecting investment decision towards property sector. Hence, the study suggests the parties involved should highly literate about property investment and government role's is to develop effective housing policy. Future researchers need to relook again with other method such as qualitative study and focus on middle income group or B40.

Key words: *Property Investment, Investment Decision, Financial Literacy, Subjective Norms, Government Initiatives*

INTRODUCTION

Investment in property sector has increased dramatically over the last few decades and has become a key element in the investment world [1]. Globally, the performance of property market has been rising since 2001, although there has been a decline from 2008 to 2010 disrupted by the global financial crisis [2]. Property sector is expected to continue its robust performance for the year of 2018. According to MSCI (2018), the extent of the expertise overseen the global investment for real estate market had shown the increment which is about \$1.1 trillion from the year of 2016 (\$7.4 trillion) to 2017 (\$8.5 trillion). Capital value growth and new market development, such as new construction of properties, sales and renting transactions, also contributed significantly to growth in market size [3]. Based on Malaysia Investment Performance Report (2017), the real estate investment is indicated the highest portion of contribution in services sector, as well as the largest contribution of investment sector in Malaysia.

Major part of economic development and gross domestic product (GDP) of nation were affected by the contribution of the housing and real estate development. Nowadays, with the majority of the residential property developed by private sectors, which range from low to high end, there are strong and fierce competition between the property developers. Moreover, the unfavorable factors such as economic recession, the changes of interest rate, inflation rate, and political volatility also affecting the property market mentioned by [4]. Thus, property developers have no alternative, but to enhance their global competitiveness to sustain in the property market, particularly in residential sector. It is essential to deliberate the perceived value of consumers' decision-making process when they consume on the products or services.

In recent year there are rapid growth in house prices in numerous nations and urban communities in developed and emerging markets economies parallels the coordinated progress before the crisis. Between 2017 and 2018, most of the countries performed very well

Corresponding Author: Wong Wai Sha, School of Business Innovation and Technopreneurship, Universiti Malaysia Perlis, Jalan Kangar- Alor Star, 01000, Kangar., Perlis

regarding of real house prices as they took off, especially Hong Kong and Malta. The IMF (2018) recently reported that credit growth in many nations has been strong and has moved together with high property prices in the course of the most recent five years. The IMF (2018) additionally expressed that the prices of house in 20 of 32 countries analyzed have increased faster than income. This information shows that numerous nations throughout the world have a salubrious and improved economy and financial condition. This circumstance has led to the development of the property market and increase the awareness of investors and scholars in this study area [2]. According to [5], the real estate market in United States was heavily impacted by the global financial crisis in 2008. The housing bubble itself contributed to the development of the financial crisis [6]. There were few factors such as very desirable house prices, low interest rate and lending standards for mortgage loan resulted in subprime debt growth [7]. However, the U.S residential market still ranked at the world's top performer amongst the other countries [8].

The overall performance and outlook for the property market in Malaysia is still underwhelming, as both economic and public sentiments are slipping [9]. Despite the relatively solid economic foundations and the weak currency of Malaysia Ringgit (MYR), some investors including foreign investors, may opt to gain advantages on this opportunity to purchase properties that are reduce price or discounted which offer stability and long-term potential [10].

comparatively with the transaction in the first half of 2017. National Property Information Centre (NAPIC) stated in the report of property market activity in first half of 2018 has a healthy volume transaction at 149,889 transactions worth RM67.74 billion which show a decline of 2.4% in terms of volume transactions and decrease 0.1% in terms of value compared to the first half property market on last year. The property market activity hits 153,536 of volume transactions worth RM67.83 billion in the previous corresponding period. From figure 1, major contribution sub-sector in property market is residential sector. It contributed 62.85% of the total volume transactions, followed by agricultural land at 22.39%. In addition, the percentage share of the value of transactions is also being led by the residential segment, which is 46.74% of the total amount of value of transactions.

In many parts of the world, attitudes in homeownership have shifted as the millennials reach their peak years of buying a home [11]. Study by HSBC found that more than 9,000 people in nine countries as shown in the figure 2 below, 40% of the millennials have their own shelter [12].

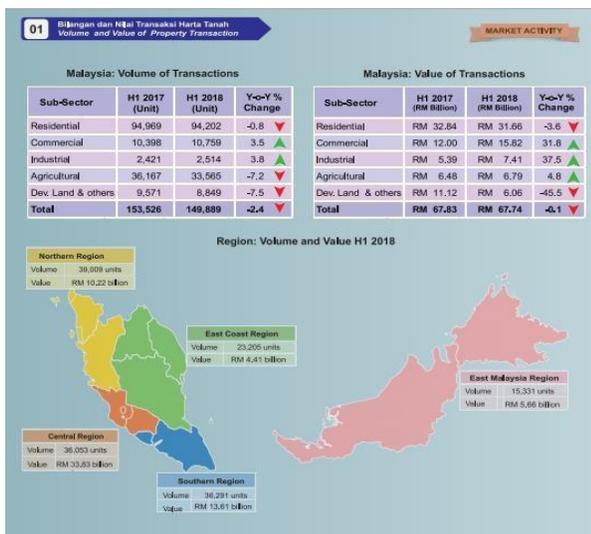


Figure 1: Malaysia's Volume and Value of Property Transaction
(Source: National Property Information Center)

According to figure 1, it shows that Malaysia's property market recorded a marginal decline in both transactions, in terms of volume and value in the first half of 2018

COUNTRY	MILLENNIAL HOME OWNERS (%)
Average	40
Australia	28
Canada	34
China*	70
France	41
Malaysia	35
Mexico	46
United Arab Emirates	26
United Kingdom	31
United States	35

China survey sample includes 85% urban, 14% suburban and 1% rural respondents

Figure 2: Statistic of Millennial Homeowners
(Source: HSBC (2017))

However, there were 64% of millennials around the world mentioned that they needed a higher income before they afford to own a home. While 69% of them stated that they intend to purchase their own house, but they have not yet saved enough for deposit [13]. According to Census Bureau, in US, the homeownership rate peaked since 2004, the major contribution was come from households that are led by

the millennials who were under the age of 35. A research conducted by the House of Commons Library in United Kingdom (UK) discovered that only 38% of household under the generation of millennials owning their own house. However, among the population of millennials in UK, there was 59% of millennials are renting instead purchase a house. An ING survey published recently stated that over a third of young generation (millennials) are planning to buy a home in the next three years [14]. In addition, Australia is undergoing generational changes in homeownership, with the factors likes economic downturn, lifestyle choices and home preferences would give impact to the younger households. Therefore, this would lead to limiting the ability of younger households to become homeowners [14]. An analysis conducted by ING Direct found more Generation Y (Gen-Y) invested in property sector than Generation X (Gen-X) and Baby Boomers.

[15] addressed the issue of high housing costs had excited that young generation prefer to rent rather than buy a house. Obviously, Malaysia's rental market has a higher demand from millennials nowadays [11].

According to HSBC's 'Beyond the Bricks' study, in fact, only 33% of Malaysia's millennials afford to invest for property due to facing the issue of financing. In general, financial issues include high living costs, unaffordable property prices, ability on saving money, incapability to cope for unexpected emergencies or medical problems, and etc.

Over the past ten years, the residential property market in Malaysia has shown a significant increase in prices [16]. The factor of affordability is a major concern for young generation to become the potential buyer on purchase an affordable property. In light of a review on the research conducted by JLW Research, those who aged in the range of 25 and 40 years are the potential buyers for the affordable house that implemented by the previous government which include Rumah Selangorku, RUMAWIP and PPA1M.

In Malaysia, there is little research on Gen-Y behavioral sciences directly affect their investment decision in property sector. In explaining the study area of the relationship between behavioral sciences and property investment decisions, this report provides the relevant study on insights from behavioral sciences, with a focus on application to Gen-Y financial literacy, financing, subjective norms and government initiatives, whether potential to give impact towards Gen-Y invest in property sector.

LITERATURE REVIEW

A generation could be a cluster which be identified by age, year of birth, location and significant circumstance that form their personality [17]. A generation can be developed by significant life occasions, for example, wars, technologies innovation, or major conversion of

economic condition. These occasions structure the identity, values, and desires for that generation. According to [18], there have been 5 groups of generation age in 2018 which include generation Z, Millennials (generation Y), generation X, baby boomers and silent. Gen-Y which also known as millennials, who born between 1981 and 1996 (ages 22 to 37 in 2018). Gen-Y is a cohort comprised of about 60 million people who are altogether said to have different attributes and preferences than that of their antecedents. The age or life-phase of this generations take shape into one of a kind from other cohorts.

The Characteristic of Gen-Y

There are numerous positive and negative characteristics shared by the millennial. On top of that, a generation which age between 22-37 are sure to be confident in the society, as a great part of the exploration underpins. This confidence originates from their trust and good faith. Research from Pew Research Center [18] indicated that millennials rank higher in confidence and self-assuredness when contrasted with past generation at that equivalent age. In addition, GenY tends to have high moral spirit, devoted, willing to strive for opportunity, aim and family-focused. Gen-Y is the generation of in fact educated, technically literate and races and will willing to pay more effort in earn more money. They are faced with the intellectual challenge, the need to accomplishment, endeavor to be better than others and measure their claim achievement.

The most commonly mentioned model of consumer behavior in others studied is Theory Buyer Behavior Model (Howard-Sheth Model) which was developed by Howard and Sheth in 1969 shown in Figure 3. According to Prasad & Jha [19], this model is essential since it emphasizes the significance of input to the consumer purchasing process and proposes way by which consumers order these inputs before the final choice is decided. The Theory of Buyer Behavior Model by Howard and Sheth is not fully explained about all the consumer behavior. [21], the Howard-Sheth model of buying behavior introduces an exquisite integration of the psychological and several social and marketing perspectives of consumer choice, into an adhesive sequences of information processing (p.10). In addition, Runyon & Stewart and [21], respectively, add that this model attempts to clarify about the rational behavior of brand choice within the limitations of insufficient information and minimal individual capacities, and also provides an empirically testable description of behavior in terms of involving cognition structure along with its results. The Howard-Sheth model of buyer behavior :

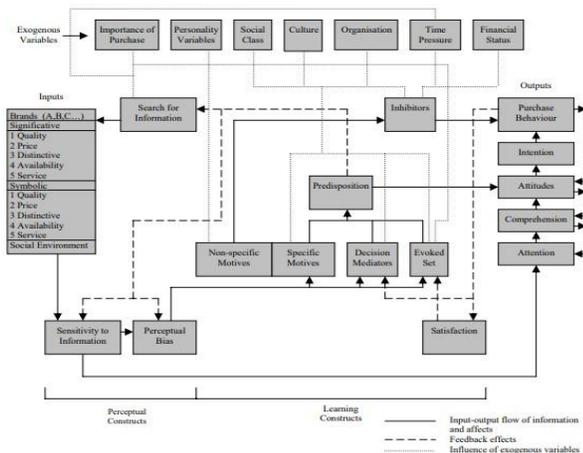


Figure 3: Theory of Buyer Behavior Model
Source: Howard & Sheth 1973.

Figure 3 is explained by [23] as a model that explicitly differentiated the three different stages or decisionmaking levels, it also referred to as learning levels which include extensive, limited and routinized response behavior.

Investment decision

[24] investment decision is an important decision of the three financial management decisions, since the decision-making in investing directly affects the individual's future investment profitability and cash flow. According to [25], investment decision-making plays a critical role in the investment process. The investment process begins with the decision on the investment objective. Hence, investors must make an analysis before deciding where to invest, when to invest, and how to invest. Traditionally, the objective of investors invest is to maximize their return and minimise their risk. However, the investor's investment decisions may affect the achievement of these objectives [25]. [26] asserted that investment decision-making is an intricate activity as the investors have to consider about the financial and non-factors as well as returns and risks when making investment decision. [27] stated that the decisions to make an investment are the choices identified with procurement or disposal of investment asset. The investment resource may be in terms of financial or property investment. [28] mentioned that any investment procedure commences with a market investigation in which the first step is to identify the investor's objectives and the transaction border. Property investment decisions are based on the source about a property as an investment generally need to take lessen risk, which guarantees to value the long-term capital gains, are key drivers for minority private property investors [29]. Nevertheless, it is not all the motivating factors are cost-effective, but personal goals and personal or family conditions are among the noneconomic factors that act as an important role in

investment decision. [30] stated that investors are key driven to invest in the private property market for a couple of reasons. These include economic factors, personal goal such as retirement plan or shelter for children in future, and household conditions. Investors view property as a low-risk, long-term, safe and stable investment products that able to produce guaranteed returns.

[31] conducted a study to evaluate the role of different socio-economic and demographic factors affecting investor investment decisions in Pakistan. An investment model has been developed that defines the impact of investors' past experiences on investment, changes in regulatory policies, asymmetric information, marital status, gender and investors' reinvestment intentions. They claimed that the perception of risks plays an essential role in the investment decisionmaking process and that changes in government policy which can affect an investor's risk perception. [32] studied Real Estate Investment in Bangladesh: A Pre Liminary-Study. This research has provided an insight on how all the factors in this study can affects the real estate investment through loans from various bank or any other financial institutions. 100 sets of questionnaires were distributed randomly to the consumers who have considered and experienced purchase real estate in Bangladesh. From the outcomes acquire in this study, all the variables that characterized the former for the components that give impact to the acquisition of real estate investment through loans from banks in Bangladesh show significant relationship with the real estate investment in Bangladesh, which are the income level generate by consumer, cost in terms of financial, the costs or price of property and transparency of real estate market.

[33] explored the study about Purchasing Intention towards Real Estate Development in from Malaysia. Generally, there are variety factors determining the movement of the real estate market. By adopting the model from Gibler K.M model, this study has provided a significant relationship with the purchasing intention towards property, namely personality, knowledge, social class and group of references.

reviewed that Factors Affecting the Purchase Decision of Investors in the Residential Property Market in Malaysia. The factors used to analysis in this survey include locational, neighborhood, structural and financial. Investors would be able to assess the factors that make sense most before investing in property by acknowledging the motivation behind the purchase of residential properties.

[4] explained that Predicting Consumer Perception and Its Impact on Purchase Intention for Residential Property. Few factors are developed in this study which include customer perceived value and customer satisfaction by provides guideline in company in differentiate the key variables that influence consumer

purchase intention. Inclusion of these research will assist housing developers to understand the current and future housing trend in order to improve or develop better policies.

The research of [36] is about Understanding Factors that Influence House Purchase Intention among Consumers in Sabah. Through this study, buyers and the housing industry would benefit from a better understanding of the factors that lead to the decision-making of buyer in real estate markets. Hence, the purpose of this study is to comprehend consumer behavior towards home purchase by adopting Theory of Buyer Behavior Model (Perceptual and Output). The findings imply that the three attributes of perceptual construct (house features, distance and environment) and only one attribute of exogenous variable (superstitious numbers) have significant positive relationships with the intention to purchase house.

Financial Literacy

The term of financial literacy was first authored in the United State in year of 1787, when Thom Jefferson received a letter which conceded by John Adams refer that financial literacy was necessary to overcome the confusion and widespread distress that had emerged in America because of obliviousness of credit, circulation and the nature of coin. Hence, a few initiatives have occurred, and the term financial literacy has been utilized and dealt differently by the researchers, organizations and governments [37]. Organization for Economic and Co-operative Development [38] defines financial literacy as the “combination of awareness, knowledge, aptitude, manner, and behavior necessary to make proper and wise financial decisions and eventually to accomplish individual financial welfare” in the forum of International Network on Financial Education (p.3). This definition is completed in that all characteristics of financial literacy are combined, and this definition is adopted for the purpose of this study. An individual who is financially literate therefore should comprehend financial products and be able to appreciate the opportunities and risks for financial with confidence so that they can decide informed choices, able to know the direction for guidance, and choose other effective measures to advance their financial well-being [39]. An abstract is essential in the social sciences’ study where it able to operationalize or measured. However, it seems that there were lack of reliable definition of financial literacy in order to provide a great deal of financial literacy [40]. In fact, the number of studies providing an accurate definition is limited. [41] defines financial literacy as “a person’s ability to understand and make use of financial concepts”. Therefore, it could be characterized as “estimating how well a person can understand and utilized the information they understand from the perspective of finance.” It is likewise included that this description is not only consistent with other

different ideas and concepts of education on literacy, yet in addition with definitions in existing financial literature.[41] defines financial literacy as a comprehension of money and financial products that can help to make informed financial decisions. This definition is too superficial because it ignores the management element of money and other financial products, yet, it clearly shows that finance do not only mean money, but also other financial products. Based upon the review of research studies, the numerous theoretical and empirical conceptual meanings of financial literacy fall into couple of categories; financial concept’s knowledge and education, financial awareness, aptitude and ability in overseeing personal funds and attitude in planning effectively for the financial necessities in the future.

provides an understanding of the consequences of financial literacy on Millennials’ investment decisionmaking in Malaysia. This study conducted survey by using questionnaires through online to understand this phenomenon. 101 of questionnaire were collected and used as sample size. In Malaysia, the millennials are highly literate in numeracy and not financially educated when there is inflation issues (they only have basic financial literacy). Although they are highly knowledgeable about stocks, but they are unable to differentiate between stocks and mutual funds. The study clearly stated that hopes to provide millennial investors with insufficient knowledge of financial literacy and to fill the research gap in financial literacy in Malaysia.

claimed that Behavioral Factors Affecting Real Estate Purchasing of Real Estate in Saudi Arabia. Factors influencing the real estate market in Saudi Arabia are of crucial important around the globe. This study examines the factors which include attitude, subjective norm, perceived behavior control, and finance affecting the purchase intention of Saudi Arabians (Saudi) towards the real estate. There was a total amount of 300 sets of questionnaires have been distributed to the Jeddah respondents. The results indicate that attitude had a positive effect on the purchase intention of real estate based on the 220 questionnaires collected. However, other factors had no effect on the relationship between the variables and the purchase intention of Saudis towards real estate. According to the study ‘Relationship between Financial Literacy and Investment Behavior of Salaried Individuals’ [44], it stated that a person who possess financial literacy is the level of knowledge on the perspective of finance which empower the individual to interpret the information that received or learned and able to make the right and wise decisions on the personal investment. However, it is hard for a typical individual to comprehend the risk associated with the products that related with finance. Understand about the risks and returns of a certain investment product is the fundamental financial knowledge that need to possess

by an individual. Financially literate individual able to make a practical function of these products and services that related to finance by assessing the risks and return associated with the products and services, and lastly, by selecting the products that are most appropriate to them. An endeavor has been made through this study to look at the relationship between financial literacy and investment decision of salaried individual is studies. The results of this study suggested that financial literacy of an individual has significant relationship with the investment decision of salaried individuals.

Previous studied conducted by [45] found a significant relationship between financial literacy and investment decision. Financial literacy gave impact towards a person's ability to spend money or finances.

The significant relationship between financial literacy and investment decision is demonstrated by the fact that when institutions and individual have financial literacy, for instance, general knowledge on the stock exchange, transaction on stock, and information of many other types of financial mechanisms, then both of the investors will in a position to take good investment decision. In contrast, when investors lack of the knowledge about financial mechanisms, then they couldn't make good investment decision. There was also a significant difference in the level of financial literacy between the respondents based on their gender. In particular, women have a lower financial literacy level than men. Hence, financial literacy affected significantly on the individual investors' investment decisions. Specifically, financial literacy had a significant positive impact.

The study of [46] in Gulf countries was the only study examining the relationship between financial literacy and investment decisions in the UAE. The previous study stated that financial literacy of the individual investors in UAE investing in the local financial markets was assessed. Therefore, they examined the relationship between financial literacy and the decision on investment. The study concludes that UAE investors' financial literacy is far below the level needed. The level of financial literacy is affected by several factors like level of income, education level, and workplace activity. In addition, the results show that the financial literacy and investment decisions have a strong relationship.

[47] examined the financial literacy of the real estate investors in Nairobi Country. In this study, it examined the relationship between financial literacy and the investment decision. The findings stated that the financial literacy of the Nairobi's real estate investors is far from the needed level. The results showed that the level of financial literacy has been found to have a significant impact on the decision-making of investments by the real estate investors. In order to achieve optimum results in this intricate decisionmaking environment, decision-makers need sufficient financial knowledge and skills.

Financing

Frequently, financial status is one of the key considerations of property investor when invest in a property. There are several key areas are identified which includes with the price of property, mortgage interest rates, annual income, terms of repayment, and ability to obtain financing [48]. Additionally, the length of the period for the instalment, mortgage interest rate, ability for the repayment of instalment are incorporated into financial factors [49]. He also stated that the affordability is the primary significant in terms of make decision whether to invest in the property sector.

As an investor, the financial part may be the most extreme significant factor among all factors as financing often involved with cash in which speculators would need to earn from their investment [34]. For the situation of the property investors, financing represents almost thirty (30) percent of the income decision for property holders when obtaining a property [50]. Besides, [34] also discovered that financing is the primary factors that dismisses numerous property speculators away in the case of Malaysia property market when stricter the guidelines on the mortgage loan that forced by the bank and government to soften the speculation in the property market.

The study by [34] determine the key factors that affect investors investment decision to acquire a property. As a result, it revealed that financial factors would give impact towards property investor's investment decisions. In addition, previous study conducted by [51] determined first time home buyer purchase decision among middle-income earners (M40) in Malaysia. The findings revealed that financial factor influenced the residential property purchase decision among middleincome earners (M40) and this show that they have relationship between each other's.

Subjective Norms

Subjective norms are the perception of an individual's towards the pressure from the social to perform or not to perform the target behavior ([52]. This could imply that an individual's subjective norms depend on the individual own perception of the thoughts of other important people such as relatives, friends, colleagues and the immediate supervisors on their performed behavior[53]. Studied by [54] is to identify the importance of different reference groups that influence the intention to purchase a house for the family living in Thailand. In this study, factor analysis supports the 4 dimensions of subjective norm variables which include spouse, children, elderly parents and friends. However, children seem to be the most influential aspect under subjective norm, followed by spouse. Study by [55], subjective norm and others variables play an important role in affecting on customer's intention in choosing Islamic home financing products.

Previous studies indicated distinctive outcomes regarding the subjective norm as a predictor of investment decision. There are few studies that demonstrated a significant relationship between subjective norm and investment decision [56].

In the property market, past research has mentioned that different groups of references groups influence decision making in the property market, for example, developers of property, investment bankers, family, peers, friends and brokers [57]. Based on the results of the research, families and friends can be classified as one group and experienced experts as another group as the fundamental impacts of an individual's choice to invest a property [58].

Conclusively, subjective norms is always been an important factors that could influenced investors to make the right investment decisions as there is significant researchers in similar interests have been carried out.

Government Initiatives

In the view of global policy review, most of the government initiative can be sorted into supply or demand side measures. According [59], supply side practices fundamentally envelop land and regulations which due to the current issues, cut off the cost and activity of housing development and maintenance cost. Many countries have embraced different approaches where some of the countries examined it such as Hong Kong has produced thousands of houses in the new regions over the infrastructure of transportation in order to improve the availability and address mismatch between jobs and housing. Besides, due to the house price increase issues, the supply over the demand and this cause the young generation couldn't afford to obtain a property. Hence, government initiatives include provide subsidies, reduce the taxation of property in order to offset the individual unaffordability.

In Malaysia context of study [60] stated that few programmes or incentives develop by the government which includes The Skim Rumah Pertamaku (SRP) or My First Home Scheme of obtaining the first property. When a government develop an effective housing policy, it could solve the issue of unaffordability. In addition, the incentives by government also contained few reasons such as the government act as an important and leading role in the promotion of first-time home buyers [61]. In the property market, diverse reasons have prompted to the market failure, for example, externality and asymmetric data which may actuate the additional transaction cost. Moreover, the incremental cost may likewise acquire during the time spent by government for improvement and development. Accordingly, government initiatives are the basic steps to advance the property development. Several studies have presumed that government initiatives altogether influenced the property market. [62] study expressed

that incentive schemes are positioned fifth among the other 64 drivers distinguished from the other literature review. Subsequently, through the compelling incentive approaches, for example, subsidies, tax deduction and exclusion, and soft loan preferential strategies, youthful buyers will have more affordability to invest a property. This possible situation can likewise improve the dimension of obtaining aim.

METHODOLOGY

The study will use questionnaire for the survey strategy that enables the collection of standardizes data from large population. In order to measure the survey of this study, the measurement tool used is the five-point Likert scale which indicate millennial's investment decision; thus, this allows the respondents to show their opportunity on the expression of his or her perception about the attribute in the statement. All the data gathered by using google forms have been converted to the respective numbers.

The research model of this research is correlational study which focuses on the factors that affect Gen-Y's decision to invest in property in Penang and how significant it is towards their decision making by showing the probability of investing in properties. The relationship between the dependent variable – investment decision and independent variables will be explained by using hypotheses. From the correlation study, it can determine whether investment decision has positive or negative correlation or without correlation with the independent variables.

The unit of analysis is individual who are Gen-Y and qualified to invest in Penang's property sector. Data analysis is the process of using analytical and important information or data to interpret and evaluate data. The data gathered through questionnaire that distribute to the respondents by using Google Forms Link was coded and analysed by using SPSS software.

FINDINGS AND DISCUSSION

Table 1
Cronbach's Alpha Value of Reliability Analysis

Variables	No. of Items	Cronbach's Alpha
Financial Literacy	10	0.840
Financing	11	0.853
Subjective Norms	8	0.852
Government Initiatives	8	0.807
Investment Decision	5	0.780

The Cronbach's Alpha value for all the variables in this research is above the threshold of 0.70. The variables above the threshold 0.70 means that the reliability of

inter-item was high so there is none of items need to delete in the test. The Cronbach's Alpha value of the financial literacy is 0.840, financing is 0.853, subjective norms is 0.852, government initiatives is 0.807 and the dependent variable is investment decision which the Cronbach's Alpha value is 0.783.

Table 2
Correlations of Major Variables

Variables	N	S.D.	Mean	1	2	3	4	5
MEANFL	208	.61241	3.9298	1	0.687	0.714	0.592	0.719
MEANF	208	.48513	4.1997	0.687**	1	0.544	0.607	0.477
MEANSN	208	.69268	3.7566	0.714**	0.544**	1	0.689	0.606
MEANGI	208	.60327	3.9189	0.592**	0.607**	0.689**	1	0.586
MEANID	208	.63449	4.1115	0.719**	0.477**	0.606**	0.586**	1

Notes: Pearson Correlation = r; P-value = sig (2-tailed)
**Correlation is significant at the level 0.01 level (2-tailed)

Table 2 shown that financial literacy correlated with financing, subjective norms correlated with financial literacy, subjective norms also correlated with the variable government initiatives is then correlated with financial literacy, financing and subjective norms separately. Dependent variable, investment decision when correlated to financial literacy, subjective norms and government initiatives, it indicated a strongly positive relationship among themselves. However, the relationship between financing and investment decisions is medium and positive.

Table 3
Results of Multiple Regression

Independent Variable	Dependent Variable = Investment Decision		Tolerance	VIF
	Standardized Coefficients	Significant		
(Constant)	Beta	P		
Financial Literacy	0.614	0.000	0.363	2.754
Financing	-.0139	0.041	0.464	2.154
Subjective Norms	0.061	0.413	0.379	2.638
Government Initiatives	0.264	0.000	0.449	2.226
F-value	66.470			
R ²	0.567			
Adjusted R ²	0.559			
Durbin Watson	1.556			

The multiple regression analyses findings indicated that there is positive and significant relationship of independent variables (financial literacy, financing and government initiatives) on dependent variable investment decision in property see Table 3. However, there is also an independent variable which is subjective norms not significant with the dependent variable investment decision in property. Thus, the result for this

independent variable is contradicts with hypotheses built and had been rejected.

In this finding, there are three hypotheses which are Financial literacy has significantly relationship with investment decision in property sector; Financing has significantly relationship with investment decision in property sector; and government initiatives has significantly relationship with investment decision in property sector are accepted. The significant relationships are proved by the P-value<0.05. The analysis showed that the financial literacy has the highest correlation with investment decision in property sector among Gen-Y compared to the other three independent variables. Then, it is followed by subjective norms. Financial literacy and government initiatives are highly significant with the dependent variable which is investment decision with the P-value<0.05 and the t value higher than 1.645.

The study's findings show that Gen-Y who are financial literacy about the property investment are willing to take risks in their investment decision making. These findings are consistent with [42] who stated that an individual who is lack of literate about investment is not willing to take part in investment decision making. Thus, the finding in this research is similar and supported by the literatures stated. The findings of this study also provided evidence that financing has a significant influence on investment decision in property despite the property price is high in Penang. In general, the finding of this study is consistent with the findings of some previous research which have mentioned that the importance of financing and investment decision in property [63] [64].

There was study proved that subjective norms had no significant effect on the investment decision towards property sector. These study findings supported with [65] who found that subjective norms had no significant effect on the investor's intention. Generally, government initiatives play an important role in guiding young consumers and give encouragement towards young consumer' invest in property sector. There were similar findings with previous study that conducted by [61] which stated that government initiatives have significantly relationship towards investment intention in property. The result also consistent with [66] and show that the government initiatives give impact towards young consumer investment behavior.

REFERENCES

- [1] Chang, F. Y., Hassanudin, M. T., Mohd Asmy, M., & Anwar, A. (2017). Measuring the determinants of real estate investment trusts (reits) performance: malaysian evidence. *Labuan Bulletin of International Business & Finance*, 15, 58-76. Retrieved October 1, 2018.

- [2] Zull Kepili, E. B., & Masron, T. A. (2016). Malaysia property sector: performance analysis and portfolio diversification benefits within sub-sector. *International Journal of Housing Markets and Analysis*, 9(4), doi:http://dx.doi.org/10.1108/IJHM-A-08-2015-0043
- [3] Tueben, B., & Bothra, H. (2018). Real estate market size 2017: Annual Update on the Size of the Professionally Managed Global Real Estate Investment Market. New York: MSCI.
- [4] Tsang, J. T., Dastane, O., & Selvaraj, K. (2018). Predicting consumer perception and its impact on purchase intention for residential property market. *Journal of Technology Management and Business*, 5, 59-77.
- [5] Statista, T. S. P. (2018). Number of Apps Available in Leading App Stores as of 3rd Quarter 2018. [6] Hirst, T. (2015, Jan 20). How a US housing boom became a global financial crisis. Retrieved from BUSINESS INSIDER UK: <http://uk.businessinsider.com/how-a-us-housing-boom-became-a-global-financial-crisis-2015-1/?IR=T>
- [7] Silvo, A. (2017). House prices, lending standards, Bank of Finland Research, 4, 1-50. Retrieved from <http://www.suomenpankki.fi/en> [8] Lansner, J. (2018). U.S. ranked world's 6th best housing market: 6 things to know. New York: The Orange Country Register.
- [9] Chin, J. (2018). Property market to remain lacklustre in 1H2018, says Knight Frank. Kuala Lumpur: The Star Online.
- [10] Holt, N. (2017). special analysis: asia-pacific cross-border residential land activity. Retrieved from Knight Frank: <https://content.knightfrank.com/research/435/documents/en/asia-pacific-residentialreview-q1-2017-4658.pdf>
- [11] Rafee, H. (2018, April 20). The Edge Investment Forum on Real Estate 2018: Bridging the generation gap in the rental market. Retrieve <http://www.theedgemarkets.com>
- [12] HSBC. (2017, February 28). Generation buy. Retrieved from HSBC: <https://www.hsbc.com/newsand-insight/media-resources/mediareleases/2017/generation-buy>
- [13] Zhou, N. (2017, April 7). Australian millennials have world's second-lowest home ownership. Retrieved from The Guardian: <https://www.theguardian.com/australia-news/2017/apr/07/australian-millennials-have-worlds-second-lowest-home-ownership>
- [14] news.com.au. (2018, July 1). *How millennials are screwing themselves out of home ownership: report*. Retrieved from news.com.au: <https://www.news.com.au/finance/real>
- [15] Ling, H. O., Mansor, N. A., & Mohamed Musthafa, S. A. (2016). The housing preference of young people in Malaysian urban areas: A case study Subang Jaya, Selangor. *Malaysian Journal of Society and Space*, 60-74.
- [16] Mohd Shoed, A., & Subramaniam, G. (2016). Housing Affordability among Generation Y in Malaysia A Conceptual Analysis.
- [17] Guha, A. (2010). Motivators and hygiene factors of Generation X and Generation Y-the test of two-factor theory. *Vilakshan: The XIMB Journal of Management*, 7(2), 121-132.
- [18] Pew Research Center (2018). *Millennials*. Retrieved from Pew Research Center: <https://www.pewresearch.org/topics/millennials/>
- [19] Prasad, R. K., & Jha, M. (2014). Consumer buying decisions models: A descriptive study. *International Journal of Innovation and Applied Studies*, 335-351
- [21] Foxall, G. (1990). *Consumer Psychology in Behavioural Perspective*. London: Routledge.
- [23] Schiffman, L. G. (1987). Kanuk, LL, "Consumer Behavior."
- [24] Efni, Y. (2017). The mediating effect of investment decisions and financing decisions on the effect of corporate risk and dividend policy against corporate value. *Journal of Investment Management and Financial Innovations*, 27-37. doi:10.21511/imfi.14(2).2017.03
- [25] Subramaniam, A., & Velnampy, T. (2016). Association between Demographic Factors and Investment Decisions of few Selected State Sector Employees in Jaffna District - Sri Lanka. *International Journal of Research in Management*, 3(6), 80-92.
- [26] Fisher, K. L., & Statman, M. (2000). Investor sentiment and stock returns. *Financial Analysts Journal*, 56(2), 16-23.
- [27] Hargitay, S. E., & Yu, S. M. (1993). Property Investment Decisions a Quantitative Approach.
- [28] Ginevičius, R., & Zubrecovas, V. (2009). Selection of the optimal real estate investment project basing on multiple criteria evaluation using stochastic dimensions. *Journal of business economics and management*, 10(3), 261-270.
- [29] Muhammad, A. (2016). an evaluation of factors driving property investment decisions by private developers in Abuja. *Department of Building, Faculty of Environmental design, Ahmadu Bello University, zaria Nigeria*, 1-75.
- [30] Sean, S. L., & Hong, T. T. (2014). Factors affecting the purchase decision of investors in the residential property market in Malaysia. *Journal of Surveying, Construction and Property*, 5(2), 1-13.
- [31] Shahid, M. N., Aftab, F., Latif, K., & Mahmood, Z. (2018). Behavioral Finance, Investors' Psychology

- and Investment Decision Making in Capital Markets: An Evidence through Ethnography and Semi-Structured Interviews. *Asia Pacific Journal of Emerging Markets*, 2(1), 14.
- [32] Mahtab, N. (2014). Real Estate Investment in Bangladesh: A Pre Liminary. *Asian Journal of Finance & Accounting*, 319-342.
- [33] Md Razak, M., Ibrahim, R., Hoo Abdullah, N., Osman, I., & Alias, Z. (2013). Purchasing Intention towards Real Estate Development in Setia Alam, Shah Alam: Evidence from Malaysia. *International Journal of Business, Humanities and Technology*, 66-75.
- [34] Saw, L., & Tan, T. (2014). Factors Affecting the Purchase Decision of Investors in the Residential Property Market in Malaysia. *Journal of Surveying, Construction and Property (JSCP)*, 5(2), 1-13.
- [36] Chia, J., Mohd Kassim, A., Martin, D., & Kepal, N. (2016). Understanding factors that influence house purchase intention among consumers in kota kinabalu: an application of buyer behavior model theory. *Journal of Technology Management and Business*, 94-110.
- [37] Hung, A., Parker, A. M., & Yoong, J. (2009). Defining and measuring financial literacy.
- [38] Organisation for Economic Co-operation and Development (OECD). (2010). *Education at a glance 2010: OECD indicators*. Paris: OECD.
- [39] Miller, M., Godfrey, N., Levesque, B., & Stark, E. (2009). The Case for Financial Literacy in Developing Countries: Promoting Access to Finance by Empowering Consumers. *OECD, The World Bank, DFID, CGAP*.
- [40] Hutson, S. (2010). Measuring Financial Literacy. *Journal of Consumer Affairs*, 44(2), 296-316.
- [41] Amisi, S. A. R. A. H. (2012). The effect of financial literacy on investment decision making by pension fund managers in Kenya. Unpublished Master in Business Administration Thesis: University of Nairobi.
- [42] Ahmad Sabri, N. (2016). The Relationship between the Level of Financial Literacy and Investment Decision-Making in Malaysia. *Taylor's Business Review*, 6, 39-47.
- [43] Al-Nahdi, T. S., Ghazzawi, O. H., & Abu Bakar, A. (2015). Behavioral Factors Affecting Real Estate Purchasing. *International Journal of Business and Social Science*, 146-154.
- [44] Bhushan, P. (2014). Relationship between Financial Literacy and Investment Behavior of Salaried Individuals. *Journal of Business Management & Social Sciences Research (JBM&SSR)*, 82-87.
- [45] Khan, S. N. (2016). Impact of Financial Literacy, Financial Knowledge, Moderating Role of Risk Perception on Investment decision. *SSRN Electronic Journal*, 1-20.
- [46] Al-Tamimi, H. H., & Kalli, A. B. (2009). Financial literacy and investment decisions of UAE investors. *The Journal of Risk Finance*, 10(5), 500-516.
- [47] Musundi, K. M. (2014). The effects of financial literacy on personal investment decisions in real estate in Nairobi. *Doctoral dissertation, School of Business, University of Nairobi*.
- [48] Chung, C., Yeong, W., Low, M., & Ung, L. (2018). Purchase intention of residential property in greater Kuala Lumpur, Malaysia. *International Journal of Asian Social Science*, 580-590.
- [49] Li, & Chiang. (2014). Property Prices and Housing Affordability in China: A Regional Comparison. *Journal of Comparative Asian Development*, 13(3), 405-435.
- [50] Reed, R., & Mills, A. (2006). Identifying the drivers behind housing preferences of first-time owners. *Property Management*, 25(3), 225-241.
- [51] Paul, M. A., Abdullah, H., & Abdullah, N. (2019). Factors influencing the first home purchase decision of middle-income earners (m40) in Selangor, Malaysia. *Journal of Social Sciences and Humanities*, 16(1), 1-11.
- [52] Tan, F., Johari, J., & Mohd Sukery, A. (2015). The influence of attitude, subjective norms, and perceived behavioural control on intention to employees return to work: a case of socso's insured. *Kajian Malaysia*, 141-154.
- [53] Ham, M., Jeger, M., & Ivković, A. F. (2015). The role of subjective norms in forming the intention to purchase green food. *Economic Research*, 28(1), 738-748.
- [54] Sangkakoon, P., Ngarmyarn, A., & Panichpathom, S. (2014). The influence of group references in home purchase intention in Thailand. IDEAS Working Paper Series from RePEs, St. Louis.
- [55] Ibrahim, M., Mohamed Fisol, W., & Haji-Othman, Y. (2017). Customer Intention on Islamic Home Financing Products: An Application of Theory of Planned Behavior (TPB). *Mediterranean Journal of Social Sciences*, 77-86.
- [56] Teo, T. K. G., & Lee, C. B. (2010). Examining the efficacy of the theory of planned behavior (TPB) to understand pre-service teachers' intention to use technology.
- [57] Gibler, K., & Nelson, S. (2003). Consumer behavior applications to real estate education. *Journal of Real Estate Practice and Education*, 6(1), 63-83.
- [58] Husić-Mehmedović, M., Kukić, S., & Čičić, M. (2012). Consumer Behaviour. School of Economics and Business University of Sarajevo, Sarajevo.

- [59] Zainon, N., & Lou, E. (2016). Malaysian Affordability Housing Policies Revisited. *MATEC Web of Conferences* 66, 1-11.
- [60] Zairul, M. M. (2013). Housing dilemma among young starters in Malaysia. *Elixir International Journal*, 58, 1-5.
- [61] Zhang, L., Chen, L., Zhang, S., Wu, Z., & Song, H. (2018). Investigating Young Consumers' Purchasing Intention of Green Housing in China. MDPI.
- [62] Darko, A., Zhang, C., & Chan, A. P. (2017). Drivers for green building: A review of empirical studies. *Habitat international*, 60, 34-49.
- [63] Abdul-Razak, D., & Amin, H. (2013). Application of musharakah mutanaqisah home financing as an alternative to traditional debt financing: lessons learned from the US 2007 subprime crisis. *Journal of Islamic Economics, Banking and Finance*, 113(915), 1-16.
- [64] Chia, J., Harun, A., Kassim, A. W. M., Martin, D., & Kepal, N. (2016). Understanding factors that influence house purchase intention among consumers in Kota Kinabalu: an application of buyer behavior model theory. *Journal of Technology Management and Business*, 3(2).
- [65] Listyarti, I., & Suryani, T. (2014). Determinant factors of investors' behavior in investment decision in Indonesian capital markets. *Journal of Economics, Business, and Accountancy Ventura*, 17(1), 45-54.
- [66] Sinnappan, P., & Rahman, A. A. (2011). Antecedents of green purchasing behavior among Malaysian consumers. *International Business Management*, 5(3), 129-139.