

A Review on Housing Pathways Approach for Young Professionals Housing Affordability

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Abstract

Housing affordability studies are ubiquitous associated to housing market analysis and government intervention. Thus, most of the previous studies emphasise on economic and governance perspective, which is demand and supply of housing, are studied as well as housing policies and government roles are highlighted. In this respect, individual experiences towards housing affordability are given less attention. A study on housing affordability through the life course is idyllic in bridging the research gap. Accordingly, the purpose of this paper is to critically overview on housing trajectory concepts that consist of housing careers, housing histories, housing pathways, and housing transition concepts. Hence, to suggest an appropriate concept to be underpinned to young professionals housing affordability study. Secondary data such as journal and books have been used to gather all information needed.

Keywords: Housing Pathways, Housing Transition, Housing Affordability, Young Professionals

1 Introduction

Housing affordability topic among this generational cohort is being a controversial issue and undoubtedly that the house price has reached a crisis level, and as reported by Khazanah Research Institute (2015), most of the new housing projects in Kuala Lumpur since 2014 were launched at a price between MYR 500,000–MYR 1M, and the price of a new house which less than MYR 250,000 is considered absence. Furthermore, another study reveals that house prices exceeding MYR 500,000 is solely for the household with monthly income of MYR 15,000 (Bernama, 2016). By contrast, most of young professionals are considered M40 group which prevalent earning from MYR 3,860 to MYR 8,320 (Malaysia, 2015).

However, a meticulous statistics has been reported by graduates tracer study report system (SKPG 1, 2006–2015) posits that bachelor graduates from 2006 to 2008 experience a stagnant income which the salary of MYR 1500 is dominant throughout this period and followed by the

salary of MYR 1501–MYR 2000, MYR 2001–MYR 2500, MYR 2501–MYR 3000, and MYR 3001 and above. While in year 2009 to 2015 indicate that the improvement of salary trend towards MYR 3001 and above among bachelor graduates when the salary of MYR 3000 is dominating the trends. Evidently, young professionals who just end their tertiary education with two years of working experience for example, are not afford to buy a new house project in current market at price of MYR 500, 000 and above.

Young professionals in this paper are referred to young graduates aged between 25 to 35 years old and graduated with at least bachelor degree. In contrast, based on Malaysian Youth Development Policy (1997), young cohort always refers to the generation aged between 15 to 40 years old, but in the purpose of particular development programs, they can also refer to those aged from 18 to 25, and this has been broadly accepted.

Despite that fact, as this study emphasised on young professionals, aged from 25 to 35 is considered felicitous. This fact can be supported by Malaysian Ministry of Human Resources (2010), which points out the professional group as people having high education level at least first degree or up to postgraduate degree. In local practice, youth attending their secondary education until the age of 17 years old and followed by matriculation, *Asasi*, or diploma. Generally, matriculation and *Asasi* will take one to two years of study period while diploma program will take a bit longer which is about three years to finish. Then, after passing through this stage of education, they will further their first bachelor degree for three or four years of study period. Cumulatively, at the age of 25, most of young professionals have finished their bachelor degree and being employed.

Enlightening on the housing study, it can be engaged by numerous approaches, for instance, government policy, neo-classical economics, geographical, and sociological approach (Clapham, 2005a). However, most housing studies emphasised on one approach merely, without engaging the sociological perspective which deals with the life course of housing. This has been also criticised by previous scholars, such as Clapham (2005) and O'Neill (2008) who argued that housing studies was miscarried to being associated with the sociological approach. Beforehand, the earliest academic namely Kemeny (1992) also disputed that most housing scholars overlook to design and improvise the theoretical underpinning to their studies.

Consequently, this paper reviews on the sociological approach in dealing with housing affordability study. Precisely, this paper enlightens on housing through the life course and this work involves several concepts but yet in similar vein, namely housing histories (Farmer & Barrell, 1981), housing careers (Kendig, 1984), housing pathways (Clapham, 2002, 2005a), and housing transition (Beer & Faulkner, 2009; Beer, Faulkner, Paris, & Clower, 2011).

2 Literature Review

2.1 Concept of Housing through the Life Course

The studies on housing over the life course has been explored by many earlier scholars since year 1970s (Beer et al., 2011). For instance, the study of residential mobility by Pickvance (1974), analysing the housing market through the pathways approach by Payne & Payne (1977), studying the residential movement from rental accommodation to homeownership by applying the housing career concept by Kendig (1984) and discussions on developing social divisions by involving the housing histories concept by Forrest (1987). This previous evidence becomes increasingly difficult to be ignored in the future of housing study, which the sociology theory cannot be dissociated.

Housing career concept is valuable to describe the relationship between a household's dwelling type and their life cycle condition (Beer et al., 2011) because its link with the homeowner status (Kendig, 1984). In this respect, social and economic factors are ubiquitous to aspire the household to enjoy a housing career that on par with their profession (Forrest, 1991). In other words, the concept explains that success in the profession is a mirror to have a better dwelling ownership, in which it signifies an upwards and ordered path of rising opportunity and wealth.

On the other hand, the concept of housing history is distinguished since it involves the multiple structural factors for homeownership decisions while this factor is absent for the housing career concept. The structural factors to a decisive homeownership consist of location, ethnicity, and gender aspect as mentioned by Badcock & Beer (2000), however, the most earlier scholars have argued that the factor of living location, household income, and accommodation subsidies are dictated for homeownership (Forrest, 1987). Noticeably that the housing history is not merely encompassing the capital gain, such as household income and occupational success but the most imperative, it takes other factors as well into account.

Next, the idea of housing pathways concept has been premeditated by Clapham (2002) which the concept designed from earlier approaches, namely housing careers and housing history (Clapham, Mackie, Orford, Thomas, & Buckley, 2014). It is therefore, considered a comprehensive approach as the concept has not merely analysed the individual experiences on the homeownership but also taken analysis of the housing market into interpretation (Clapham, 2002). Additionally, both aspects such as analysis of behaviour in housing market and agency aspect, such as subjective individual experiences, the decisions and values are rarely presented by the contemporary scholars (Beer et al., 2011).

Finally, based on these three concepts of housing over the life course, a new concept has been presented, namely as housing transition. However, this concept is slightly different to others since it does not indicate a particular direction. On the other hand, this concept focuses the individual's propensities to make housing choices throughout their life course based on five dimensions (Beer et al., 2011). These five dimensions comprise the phase of life course, economic resources, well-being, tenure history, and values and aspirations are viewed as the factors of influence in making the housing decision. In this instance, early in the life course of young professionals with presence of children can be an important factor on housing choices and simultaneously the aspiration factor, such as location preferences and lifestyle values aspired to, will be important as well.

Table 1:

List of the housing concepts based on the literature review

Housing concepts	Idea	Description	References
Housing Career	Kendig	Social and economic achievement catalyst to homeownership	(Kendig, 1984)
Housing History	Farmer & Barrell	Structural factor is key for homeownership	(Farmer & Barrell, 1981)
Housing Pathways	Clapham	Household interpretation & progression through the housing system are highlighted	(Clapham, 2002)
Housing Transition	Beer et. al.	Projection of housing decision over the life events	(Beer et al., 2011)

(Source: This study)

2.2 Debating on the Concepts

All the concepts discussed above point out the housing decision over the life course by taking into consideration the sociological theory. However, each concept might have strengths or weaknesses and eventually, this ultimately determines the appropriate concept to enlighten the young professionals housing affordability phenomena. Firstly, the concept of housing career is considered straightforward by which virtuous of occupation factors merely affect the homeownership. In this vein, success in career is basis to determine a better dwelling. One criticism of much of the literature on the housing career concept is that the definition of this concept is finite as it undertakes the capital growth and career development as a precursor to provide a better dwelling (Beer et al., 2011). This is considered as a serious weakness with the essence of concept since young professionals will not always having upwards trend through their housing. This also accords the Clapham's argument that not all family meets a good achievement over their housing (2002).

Another problem with this concept is that it accentuates free choices and it means, the households in this paradigm are free to make the housing choice such as tenure, the quality of house within the property market, and upwards path. The concepts show that the housing aftermaths are a product of the relatively unrestrained preferences of individuals. Housing career is considered parallel to housing history concept in the concentration of household movement over the housing market and life course. Despite that fact, there are a few numbers to distinguish between both concepts and the housing history proves that it is better to be adapted to the study instead of housing career.

Firstly, the housing history of the social and economic restraints has taken into account in the household moving (Beer et al., 2011; Farmer & Barrell, 1981) and this is a good point compared to the housing career that governed merely on demography factor. There is an unambiguous relationship between social and economic factors to household movement. A classic example of this is carried out by Forrest (1987) who mentioned that attributes, such as a group of household, gender, location, and ethnicity influence the housing trajectory over the life course. In addition, recent scholars, Beer et al. (2011) undoubtedly agreed that position in the employment market also plays a vital role in enlightening the housing history as it sturdily advocates the housing career concept.

Nevertheless, the housing history is acquainted with the structural factors instead of demography factor merely. In this instance, the housing and workplace locations, accommodation subsidies, salary, and position in the employment market determine the young professionals housing trail. Furthermore, one criticism of much of the literature on the housing career concept is that it is associated to the specific cohort with relatively stable dwelling circumstances (Watt, 2005). Comprehending that young professionals from various backgrounds may have diverse experiences with their dwelling throughout the life course. For instance, two groups of young professionals with a good compensation and reputation in career development, might have a different relationship with their dwelling as one of the groups has been receiving their parents' assistance for homeownership while the other group has to stand on their own two feet. All insight above shows that housing history is preeminent compared to housing career concept in deliberating on housing affordability over the life course.

Despite housing history is improved by adapting the structural factor, yet it has a number of diffuseness in use. The foremost reason is it fails to associate with the housing market. As elaborated by Beer et al., (2011) the previous scholars, did not address human behaviour towards housing market and household experiences that have formed the homeownership movement. In contrast, Clapham's work has emphasised on the household's interpretation and progression through the housing system (Clapham, 2002) instead of being influenced merely by structural and demographic factors in shaping the housing trajectory.

This point can be illustrated by taking an example that the shifting new tenancy arrangement from the housing career viewpoint, shows that the household does not experience any changes whereas the housing pathways approach tends to scrutinise the household's reaction towards the changes and their impacts on this modification. After all, the housing pathways concept is not merely encircled all the features of housing career and the history concepts but it also enhances its role by explaining the meaning attached to the home, the relationship with life course, such as education level, employment, presence of children, and reaction within the neighborhood. This concept, therefore is considered as a comprehensive approach to explore the young professionals housing affordability.

However, the tendency of young professionals housing affordability is equally important to be highlighted. As a result, the housing transaction concept aspired to be adapted to the study as it emphasises on the individual decision making about the homeownership over their life event. Furthermore, the housing transition approach is appropriate to be applied as it engages the continuing movement (Beer et al., 2011) instead of current movement as being held up by most previous concepts. Despite that fact, the housing transition cannot be unassisted without the housing pathways concept.

In brief, combination between housing pathways and transition concepts to enlighten the young professionals housing affordability is seen as a comprehensive approach because of both concepts facilitate in explaining the housing trajectory through the life course while cogitating on how the structural, demography, housing market, and aspiration factor have influenced the homeownership movement. Based on the widespread review on the literature, these two concepts are preferred for the study and this decision can be simply and explicitly explained by referring to Table 2. Even though the housing transition embraces all

elements of housing factors as the previous concepts, the housing pathways is recommended to be adopted to the study since the housing transition is inclined to the projection of the individual's housing decision based on the five dimensions as stated before. Meanwhile the study aims to observe how the young professionals react to the housing market in current circumstance and the criteria for housing decision in terms of affordability.

Table 2:
Weaknesses of the concepts based on literature review

Factors	Housing Career	Housing History	Housing Pathways	Housing Transition
Occupational Success/Capital gain	●	●	●	●
Structural		●	●	●
Individual behaviours to housing market (attached to the home, relationship with life event, interactions within neighborhood)			●	●
Aspiration/Preferences				●

(Source: This study)

3 Methodology

The study aims to select an appropriate concept to underpin to the study. Accordingly, the study is designed to explore how housing market affects the young professionals homeownership and therefore determines the factor influences the housing decision in terms of affordability over their life event. A further point to bear in mind is that young professionals in current housing market might be either a homeowner or a tenant. In regard to this matter, the homeowner has been asked for housing decision factors based on their life course whereas for the potential home buyer, they have been asked for aspiration factors for housing choices without disregarding their life course as well. Overall, as this particular study aims to acquire the appropriate concept, therefore, the secondary data has been used entirely. Most of the data have been composed of books to comprehend the concepts profoundly. Then, the journals have also been used to support the argument. Eventually, the weaknesses and strengths of each concept can be acknowledged unambiguously.

4 The Contribution of the Proposed Study

The study is concerning on the interaction between human behaviour towards the housing decision over the life course and without abandoning the affordability issues. Changing in life event might influence the homeownership. An example of this matter is young professionals are considered as a fresh graduate experiencing a new movement in the life event, who just turns to employment market, gets married, and leaves the parental home are seen as a major challenge to them and these factors can be a vital influence on housing decision.

Accordingly, a study on how young professionals respond to the housing market, taken into account of their life event can make a new contribution to the body of knowledge. In this respect, a sociological theory will be applied to the study instead of depending merely on other conventional approaches to measure the housing affordability. Previous scholars, such as Clapham (2005) and O'Neill (2008) have reported that many housing studies failed to

employ the sociological theory. In this case, therefore, the study will adopt two sociological theories comprise of housing pathways and housing transition.

Despite that fact, the housing trajectory has been studied by local scholars, Al. Zyed, Hamzah, & Baharuddin (2016) but that study aims to expose the Gen Y's housing pathways in Kuala Lumpur by determining the Gen Y's tenure types and housing locations based on their affordability. By which, that study focuses on the economic factor merely, but sociological approach is neglected. In other words, there has no attention being paid on how other factors, such as capital gain, structural, individual behaviour, and aspiration factors influence the housing affordability through the life event. Consequently, by employing the housing pathways and transition concept to this particular study, it will expose the housing affordability obstructions unambiguously.

5 Proposed Research Model

Figure 1 illustrates the combination between housing pathways and housing transition concepts to the study. The housing market circumstances represent the housing pathways concepts (see Figure 1) which it exhibits the influences of housing decision in current condition while five dimensions comprise of demographic, aspirations, employment, housing history, and health attributes show how these elements affect the housing choices projection among young professionals especially who live at renting market or parental home.

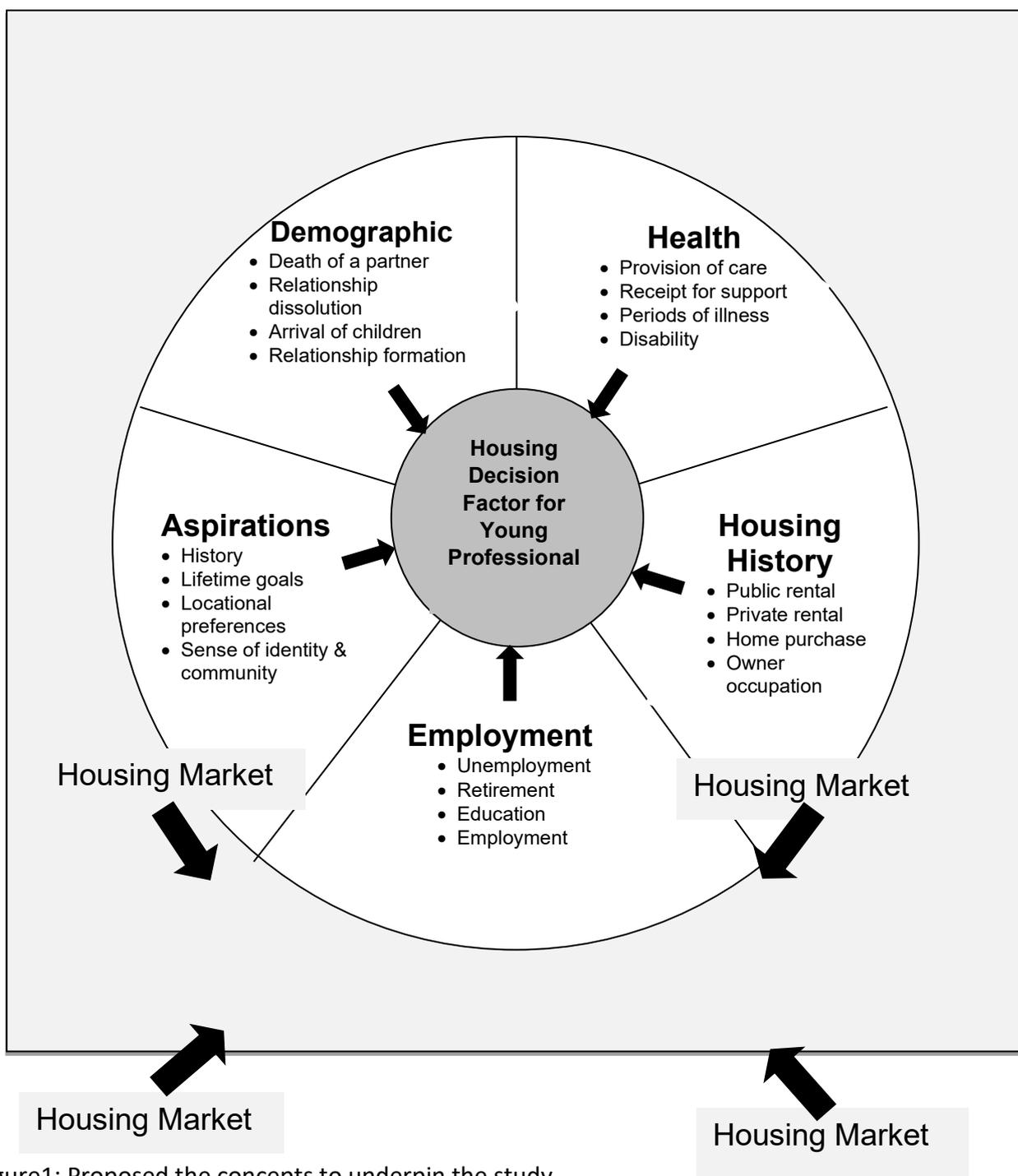


Figure1: Proposed the concepts to underpin the study
(Source: This study)

6 Conclusion

In this paper, the aims are to review and provide the argument on the housing trajectory approach and determine the appropriate concept to be applied for the study. There are four key concepts that have been enlightened explicitly. After examining, there are only two housing trajectory concepts that will be employed, namely housing pathways and housing transition. These concepts are the substances to support the explanations of young professionals housing affordability circumstances. Accordingly, these concepts do not merely explain the economic factor influences the issues but also the sociology aspect, such as how

young professionals attached to their home, reaction with life course and surrounding which these elements are rare to be discussed in housing affordability studies previously.

By contrast, the housing career concept is insubstantial to employ as its definition is limited which household with capital gain assumed to be moving to a greater level of dwelling satisfaction. One must bear in mind that the household from vary background might have different association with their dwelling over the life course. For instance, young professionals who receive parents assistance are seen to be more success to homeownership compared to who do not, even though they receive the same compensation. For that reason, the concept seems to have received a serious weakness and is questionable.

Meanwhile, the housing history concept is inappropriate to be adapted to the study since it emphasises on the structural factor. On the contrary, the housing pathways focus on the household interpretation and progression over the housing system. Then, the best point of housing pathways, it embraces all the features of previous housing trajectory concepts and outspread its role by discovering how the households attach to the home, associated with life courses, and neighborhood connections can influence the homeownership in the context of housing affordability. Then, the housing transaction concept is required to the study since the study examines the young professionals homeownership projection. Based on the housing transaction features, the scholars will know how the five dimensions as discusses initially influence the homeownership.

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