

Millennial Generation Intentions in Choosing Housing: Comparison of Sharia and General Housing

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Abstract. This research investigates the impact of attitudes, subjective norms, perceived behavioral control, religiosity, and pricing on the millennial generation's purchasing intentions for Sharia-compliant versus general housing in the Jabodetabek region. The data analysis technique employed was logistic regression using E-Views 12 and SPSS 26 software. Data were obtained by distributing questionnaires using a purposive sampling technique referring to the Hair formula so that 120 respondents were obtained. The results of this study show a difference in terms of Jabodetabek millennial intentions, which tend to prefer sharia housing, namely 68.3%, while the remaining 31.7% choose public housing. Then, the variables of attitude, perception of behavior control, and significantly affect intention. At the same time, subjective norms and religious variables do not significantly affect the purchase intention for housing. All variables simultaneously influence intention. The nature of the millennial generation tends to have an open and broad mind but still prioritizes self-control, which seems to explain such purchase intention. This research could provide recommendations for housing developers in formulating marketing programs and policymakers with regard to residential housing policies.

Keywords: Property industry, sharia housing, TPB, theory of planned behavior, religiosity, prices, intentions.

1 Introduction

Currently, human needs are diverse and multilevel, which is in line with the development of the times and the progress that occurs in society. A need can become a major problem in life and is undoubtedly one of the causes of economic activity. However, in the Islamic view, it is to fulfill a human need. Discussing human needs, a house is a basic need for every human being, and almost everyone has the same aspiration: having a home [1]. Humans always need shelter; if this basic need is not met, it will be detrimental because it can threaten someone's soul or life [2].

According to investment ministry data, industrial area housing collected IDR 17,467.4 billion. This positions housing as the 3rd largest investment realization in the first quarter of 2022 (*bkpm.go.id*). This investment inadvertently explains the high interest in the housing sector in Indonesia. Unfortunately, the housing sector is one product that can be said to be in high demand. Bank Indonesia (BI) explained that residential property prices continue to grow

positively, as seen from the residential property price index, which increased 1.87% annually (yoy) to 217.98 points in January-March 2022.

It is not uncommon for the millennial generation to be considered market potential because most millennials do not yet own their first home, and they still have many dependents and are just starting their adult lives. However, the higher house prices, the more difficult it will be to buy a house in cash, especially for the lower middle class, including millennials [3]. So many of them are now switching to the home installment system because it has become an attractive option among the public.

Table 1. Sources of BI Consumer Financing in Purchasing Residential Property (% of Consumers Buying Residential Property) Quarter III-2022

Consumer Financing Sources	% of Consumers Buying Residential Property
Mortgage	74.53
Gradual Cash	17.39
Cash	8.08

Source: Bank Indonesia/bi.go.id

Based on data taken from Bank Indonesia, in general, people here rely more on KPR financing to purchase residential property, namely 74.53%; this is seen from the perspective of banking consumers. However, the fact is that not all of this has been recorded because currently, *property developers* are providing more services apart from Sharia banking; there are also other Financial institutions such as cooperatives and housing *developers* provide direct housing installment services [4]. Even though perhaps only 25% of people are interested in direct installments to the respective developers, this is also a development of the property business.

As the number of housing businesses increases, the level of competition among developers in marketing their products to consumers also rises. Business operators must compete to offer products that meet consumer desires and needs, necessitating innovation in decision-making. This includes formulating effective marketing strategies to attract consumers and ensure business sustainability [5].

One example of innovation is Sharia or Islamic housing, which is quite popular in Indonesia. There are quite interesting differences, such as Sharia housing using Sharia contracts, providing an Islamic housing concept, and so on, whereas public housing does not provide this. These differences give people more choices and can be considered when choosing housing. In this case, someone's interest in buying usually comes from intentions or beliefs, such as an interesting impression of the housing concept. So, individuals are motivated to measure their potential, and Intention can be a factor that influences Intention.

Several studies have studied this, such as those conducted by [6] and [7]. The findings revealed that variables such as attitudes, subjective norms, and perceived behavioral control have a positive influence on an individual's intention to purchase an apartment. However, this differs from research conducted by [8], in which the attitude variable does not affect Surabaya residents' intentions for Sharia KPR. Then, in general, [9] The study revealed that subjective norms did not demonstrate a significant influence on the intention to purchase halal housing, and [10] The research indicated that perceived control did not exert a positive effect on the intention to

purchase luxury goods.. In fact, in the research of [11], [12], and [13], the results were obtained that religiosity has a positive effect on a person's buying person's intentions.

Based on this outline, we can find (*gap*) gaps in previous research and the need for new exogenous variables that can positively affect property intentions. Then, referring to previous research, there is the possibility that religiosity and price can influence intentions. So, this research aims to examine the correlation between attitudes, subjective norms, perceived behavioral control, religiosity, and price on intentions to buy Sharia and general housing. It is hoped that the results of this research can provide recommendations to property developers to improve their strategies in gathering intentions by taking into account factors that influence individuals' purchasing intentions.

2 Literature Review

With an increase in the number of participants in the housing business sector, economic advancement escalates, subsequently heightening the competitive landscape for developers in promoting their offerings to consumers. Entrepreneurs are compelled to engage in fierce competition to cater to consumer desires and demands. Additionally, corporations are necessitated to adopt strategic thinking and innovate their decision-making processes, including devising effective marketing strategies to captivate consumers, thereby ensuring the longevity of their enterprises [5]. One example of innovation is Sharia or Islamic housing, which is popular in Indonesia. This is because society tends to include all elements of religion (Sharia) in products or laws to meet their needs. Sharia housing certainly has differences from housing in general.

In this case, someone's interest in buying usually comes from intentions or beliefs, such as feeling an interesting impression about the hoIntentioncept. So individuals are motivated to make intentional purchase intentions, and Intention can be a consideration in influencing Intention.

Several factors can usually cause a person's intentions. As in [6],[7] found that the attitude variable positively influences the intention to purchase property, attitude can show that buying an apartment is a positive thing, such as being useful and valuable for consumers. Then, the research of [14] shows that subjective norms can predict intentions to buy sustainable housing. Because of this social influence, consumers are more confident in making decisions. Then also in previous research conducted by [8], the variable perceived behavioral control has a positive influence on purchasing intentions because ability, capacity, and self-control over a purchasing decision can determine whether positive or negative behavioral control can be achieved. Influence intention to buy.

Apart from that, there is also research conducted by [11] in his research stating that the religiosity variable has a positive influence on a person's decision to buy property because some strong Muslims will usually have a positive attitude towards Islamic products, so their religious needs will influence it.

Then on to research, [15] generally prove that the perception of a product's price influences a consumer's purchasing decision. Each individual's perception of price is intentionally different, so it will influence each individual's intentions and individualizations.

3 Theoretical foundation

3.1 Intention

According to [16], Intention is posited to delineate the motivational drivers shaping an individual's conduct, reflecting the degree of determination and the extent of endeavor they intend to exert in executing the behavior.

3.2 Theory of Planned Behavior (*Theory of Planned Behavior*)

The theory of planned behavior is known as a theory that emphasizes the rationality of human behavior, believing it is under the control of each individual's conscious individual sourness. However, other factors not under the individual's control can influence behavior, such as the opportunity and availability of resources to display this behavior [17].

In accordance with the theory of planned behavior, intentions may be impacted by three main factors: attitudes, subjective norms, and perceived behavioral control.

- a. Attitude is a process of evaluating behavior, whether objects or concepts that describe positive or negative, an individual's likes and dislikes [18].
- b. Subjective Norms are external influences or normative perceptions of social pressure felt by individuals that encourage them to carry out a behavior [19].
- c. Perceived Behavioral Control is a person's belief that something can control behavior or perceptions regarding the ease or difficulty of carrying out a behavior influenced by something [19].

3.3 Religiosity

The concept of religiosity is a way to see a person's diversity in each dimension. This means that paying attention to all dimensions means paying attention to worship and other activities [20].

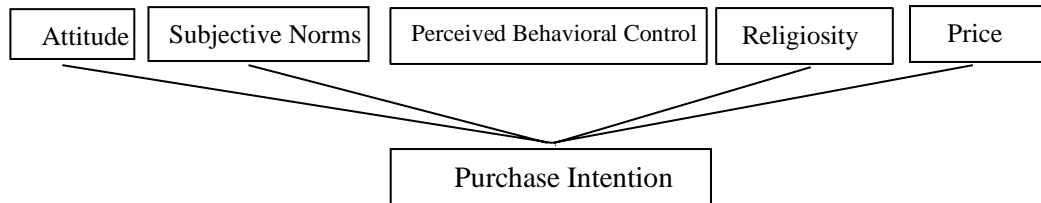
3.4 Price

According to Kotler & Armstong (2012), the goods or services customers obtain are those they pay for in the appropriate amount. If the product you get does not match what you paid for, then purchasing intentions will decrease and affect the company.

4 Methods

This study employs primary data collected through questionnaires distributed via Google Forms. The research population comprises residents of Jabodetabek (Jakarta, Bogor, Depok, Tangerang, and Bekasi), Indonesia. The Jabodetabek region was selected for the case study due to its status as a major industrial hub, which heightens the demand for housing. Additionally, the area hosts numerous housing developers. The study utilizes a purposive sampling method, a technique based on predefined criteria. The criteria include individuals residing in Jabodetabek, aged 22-42, who are knowledgeable about both Sharia-compliant and general housing, and who have an interest in homeownership. Based on [21], they suggest measuring a minimum sample

of 5-10 times the indicator variable with a minimum sample size of 100 for uncertain sample sizes. Consequently, the sample size for this study comprised 120 respondents.



Source: Author (2023)

Fig. 1. Research Framework

The independent variables are Intention attitude (X1), subjective norms (X2), perceived behavioral control (X3), religiosity (X4), and price (X5). In contrast, purchase intention (Y) The dependent variable is represented as a dummy variable, where 1 indicates the intention to choose Sharia-compliant housing and 0 signifies the intention to select general housing. Variables are measured using a Likert scale of one to five. Data analysis was conducted using the binary logistic regression statistical method with SPSS version 26 and Eviews version 12 software to ascertain the impact of the independent variables on the dependent variable. Logistic regression is designed to predict and elucidate a categorical outcome [22]. Sharia and general housing intention regression equation model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Information:

Y: Sharia and general housing intentions

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$:

Coefficient X_1 :

Attitude

X2: Subjective Norms

X3: Perception of

Behavioral Control X4:

Religiosity

X5: Price

ε : Error

5 Results and Discussion

In testing the validity and reliability of this research, it is said that each question item is valid and reliable because each independent variable in this research has a calculated R-value that is greater than the R_{table} and a *Cronbach Alpha* value that is greater than 0.60. The multicollinearity test shows that the variables of attitude, subjective norms, perceived behavioral control, religiosity, and price in this study have a VIF value of less than ten or a tolerance value of more than 0.10, which means there is no multicollinearity between the independent variables so it can be said that the data is good. The test on This research can be continued.

Table 2. Model accuracy test

Observed		Predicted			Percentage Correct
		Voting Intention		Prefer sharia housing	
		Prefer public housing	Prefer sharia housing		
Step 1	VIntention	Prefer public housing	12	64	15.8
	on	Prefer sharia housing	6	158	96.3
Overall Percentage					70.8

SPSS 25 Source (Processed by the Author, 2023)

Based on Table 2, it is known that the Intention to buy public housing is 76 observations 12 with a percentage correct of 15.8%, while the Intention to purchase Sharia housing is 164. Observation 6 had a percentage correct of 96.3%. So, it can be concluded that purchase intention tend to be greater in Sharia housing, namely 68.3%, and the remaining 31.7% choose public housing.

Table 3. Simultaneous Test

Omnibus Test of Model Coefficients	
Chi-square	Sig. _
22,473	0.00 0

SPSS 25 Source (Processed by the author, 2023)

Table 3 of the omnibus test obtained a chi-square value of 22.473 with $df = 5$, which meansthe model is suitable for analysis—supported by sig value. < 0.05 , which is 0.00. So, it can be concluded that attitudes, subjective norms, perceived behavioral control, religiosity, and price simultaneously influence the Intention to buy Sharia and general housing.

Table 4. Partial Test

		B	S.E	Wald	df	Sig.	Exp(B)
Step 1 a	Attitude	,249	,099	6,372	1	,012	1,283
	Subjective Norms	-,046	,079	,332	1	,565	,955
	Behavior Control	,289	,139	4,351	1	,037	1,335
	Religiosity	,082	,070	1.358	1	,244	1,085
	Price	-,221	,076	8,453	1	,004	,802
	Constant'	-4.64	'1,882	6,081	1	,014	,010

SPSS 25 Source (Processed by the author, 2023)

Table 4 shows that the variables of attitude, perceived behavioral control, and price significantly affect the Intention to buy Sharia and general housing, which is indicated by a significance value of 0.012, 0.037, and 0.004, smaller than the α value of 0.005. Meanwhile, the subjective norm and religiosity variables do not significantly affect the Intention to buy Sharia and general housing, as indicated by the significance values of 0.565 and 0.244, which are greater than the

α value of 0.005. The regression equation model for the Intention to buy Sharia and general housing is as follows:

$$\text{Intention to buy Sharia and general housing} = -4.640 + 0.249 \text{ Attitude} - 0.046 \text{ Subjective Norms} + 0.289 \text{ Perceived Behavioral Control} + 0.082 \text{ Religiosity} - 0.221 \text{ Price}$$

These findings imply that the Intention to purchase sharia housing and the general population of the sample, namely millennials in Jabodetabek, tends to be influenced by attitudes, perceived behavioral control, and price. This attitude has a significant positive effect on Intention because it can show that Intention to buy housing is a positive thing, such as useful and valuable. This is in line with the research of [6], and [7] found that the attitude variable positively affected property purchase intentions. Then, in line with research by [23] and [24], attitudes influence general purchasing intentions.

Then, perceived behavioral control has a significant positive effect on Intention because it shows that the Intention to buy housing requires self-control over decisions. In this research, when purchasing property, one's ability, capacity, and control over a purchasing decision can determine whether positive or negative behavioral control can influence the Intention to acquire. This is in line with [25][8], who stated that perceived behavioral control positively influences purchase intentions. Then, [6] found that perceived behavioral control influences the Intention to buy property.

The price is significantly positive on intentions because, in this research, it can be ascertained that the perception of price by each individual is undoubtedly different so that it will influence each individual's intentions, which is in line with research by [15], Saktiana & Miftahudin (2021) and Syafri et al. (2022) generally found that the price of a product influences a consumer's decision on Intention in purchasing

However, millennials do not pay too much attention to subjective norms and religiosity in their intentions to buy Sharia and general housing because they do not significantly affect intentions. This could be caused by differences in research objects, such as [26] using halal cosmetic objects, while in [27] research using *credit card objects*. So, the results of this research are more in line with the research of [26], [28], [29], and [9]. Subjective norms do not significantly affect the intention to buy housing. This could be because millennials, the respondents in this study, tend to be more independent in choosing their residence and adapting to personal tastes and suitability.

Meanwhile, religiosity in this study did not have a significant effect but had a positive relationship, meaning that high religiosity could increase intentions but did not significantly influence housing purchase intentions. One of the reasons could be that respondents who are Jabodetabek millennials only think that religiosity is universally used as a scale to strengthen tolerance between people, prevent sentiments such as hatred, and so on. Apart from that, respondents who are millennials are also considered to be one of the reasons why this is not significant because millennials' minds are more open to foreign cultures, so they buy housing not based on religiosity but because the product is attractive to consumers. So even though the level of religiosity in Jabodetabek is high, this does not significantly influence the Intention to purchase Sharia and general housing. This is in line with research by [30], [31], and [32] found that religiosity does not have a significant effect on general buying interest.

Conclusion

The data analysis results indicated a discernible disparity in the intention to purchase Sharia-compliant housing versus general housing, where the results showed that the intentions of Jabodetabek millennials tended to choose sharia housing more, namely 68.3%. In comparison, the remaining 31.7% chose public housing. Then, the attitude variables perceived behavioral control and price significantly positively affect intentions. At the same time, the subjective norms and religiosity variables do not have a significant effect on purchase intentions. This can happen considering that millennial respondents are more open but still prioritize their self-perception. Then, simultaneously, attitude, subjective norms, behavioral control, religiosity, and price influence the Intention to buy housing.

For related parties, Sharia and general housing developers or managers can continue to develop their property businesses by paying attention to the indicators that influence purchasing intentions in this research, such as the attitude variable, which can improve the quality of advertising, promotional offers, and so on to get a positive attitude context, then the perception variable. Control by improving relationships between consumers to gain significant trust in the power of each individual, and price variables can improve policies in the form of ease in providing installments and so on. This can increase purchasing intentions, especially among the millennial generation, which is considered a potential market because most millennials do not yet own their first home, as they still have many dependents and are just starting their adult lives.

Then, in the long term, It is essential to establish legal clarity concerning the supervision of housing developers, especially developers who are trying to make it easier for consumers such as housing developers without going through banks in order to protect actors involved in development activities, facilitate institutional licensing, and provide space for the development of property developers without losing their respective characteristics. -each institution. Thus, legislation will furnish legal assurance and guidelines for the endeavors of business stakeholders and potential consumers, the author realizes that this research has limitations. So, it is hoped that further research can add other factors not examined in this research.

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