THE IMPACT OF GATED COMMUNITY ON PROPERTY VALUE:
CASE STUDY IN JOHOR BAHRU OVER YEAR 2005-2009

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ABSTRACT

Gated community in Malaysia is an increasing trend of residential property markets. The notion that gated communities may increase the property value because they have higher demand in the market. The purpose of this study is to determine the impact of gated community in relation to value added and the overall residential property market in Johor Bahru. A total of 565 sample sale transactions in four housing schemes (Taman Bukit Indah, Taman Mount Austin, Taman Pulai Utama and Taman Nusa Bestari) in Johor Bahru were used for model estimation. Hedonic price model approach is used to study the effects of gated and non-gated amenities and also examine households willingness to pay higher pricing for properties over the year 2005 – 2009. Houses in the gated community command an economically significant price premium where other factors held constant. The study area is divided into Nusajaya center and Nusajaya fringe in Johor Bahru. The results shown that the gated housing in Nusajaya area was greater in maintenance the property value than gated housing in urban fringe accordingly sales transaction from the period year of 2005 to 2009. The research has indicated consumer will pay a premium for property that meets their lifestyle or security requirements in gated community of developer residential property.
ABSTRAK