An analysis of housing preferences among middle-income buyers in Potchefstroom

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ABSTRACT

Real estate or property as it is also known, is one of the key driving forces of the global economy and owning real estate, gives a sense of security and belonging to homeowners. The objectives of this research were to determine the preferences of certain housing features or attributes among middle-income consumers in Potchefstroom, South Africa. The research also aimed to determine if there is a relationship between the preferences, the socio-demographic and the socio-economic characteristics of the respondents.

A quantitative research approach was followed by way of a structured self-administered questionnaire. A sample of 107 middle-income respondents took part in the research. The results of the research show that the respondents preferred housing related attributes above neighbourhood and location-related attributes. From a list of 26 attributes researched, the quality of the kitchen was the most important attribute for middle-income consumers when it came to buying property. After the data was analysed the 26 attributes were grouped into four groups of preferred attributes. The attributes that the respondents valued the most was the quality of the interior of the property, for example, the quality of the kitchen, the number of bedrooms, and/or the number of bathrooms. This was followed by locational factors like distance from work, school or shops. The exterior of the property, for example, the size of the stand, the garden or outside buildings was third, and the respondents valued the “luxury items” for example swimming pools, the least.

The results of the research also show that there is a relationship between the housing preferences and the socio-demographic and socio-economic characteristics of the respondents. The results of the research can assist property developers, estate agents, city council, government institutions and any other stakeholder in the property or real estate environment, to gather valuable information for future development or planning.

Keywords: Housing preferences, housing attributes, middle-class consumers, South Africa, North West Province, Potchefstroom.
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CHAPTER 1

NATURE OF THE STUDY

1.1. INTRODUCTION

The field of property development has changed rapidly and dramatically the last few years. This study is relevant as South Africa is a developing country and large components of the South African population are middle-income consumers entering the property market.

Similar studies have been done in other countries, but nothing could be found on the housing preferences and attributes of middle-class consumers in South Africa and more specifically in Potchefstroom. This research will unquestionably add value and contribute knowledge to current and prospective property buyers, developers and government organisations.

This research enables us to learn more about housing consumer behaviour, buying decision making, trends and preferences with regards to housing among middle-class consumers of Potchefstroom and will be useful for possible further research on the same topic in other provinces or towns in South Africa.

This study enables individuals to become aware of the housing preferences and attribute importance of middle-class consumers in Potchefstroom. It will also enable individuals to see what these middle-income consumers value with regards to housing preferences and what factors play a role, and the importance of these factors in their decision-making process when buying property and what characteristics they value when making house buying decisions.

This study will also make positive contributions to certain private or corporate organisations as well as government departments. Property Developers will gain valuable information with regards to what detail and characteristics and housing specifications to focus on with future housing projects or property developments. Estate Agencies can use the information gathered through this research to understand the housing buying behaviour of the middle-income consumers in Potchefstroom. This will allow them to focus on specific important information in their marketing campaigns. Government Departments and City Councils can also utilise the information for future planning with regards to rezoning applications and related property matters and government housing projects.

The results of this research will also make a valuable contribution to the organisational literature on the specific research topic. Housing attributes and preferences of middle-class consumers are not isolated and the information gathered from this research can be used for future studies in other provinces within
the country or to make comparative studies with countries abroad and it can also be valuable in researching and developing new housing policies.

The dependent variables of this study are housing preferences and attribute importance. In this research, the independent variables are socio-demographic and socio-economic factors such as the geographical boundaries (South-Africa: Potchefstroom). This study specifically focuses on middle-class consumers. Independent variables such as the education, race, age, household size and marital status of the participants were also taken into consideration.

The model formulated to conceptualise this study is outlined as follows (See figure 1.1):

Figure 1.1: Conceptualisation of the middle-class consumer in Potchefstroom

1.2. PROBLEM STATEMENT

Adequate housing is very important, and it forms an integral part of the needs of every society. In terms of Section 26 of the Constitution (1996), everyone has the right to adequate housing. Housing is one of our basic needs, and it is amongst the top priorities of the current government of South Africa. The issue of housing choice and preference has been studied from different theoretical perspectives and is a subject that gets much academic attention (Wildish, 2015, Van Middelkoop & Boumeester, 2014, Mulder, 1996).
Since democracy, the housing environment has seen some dramatic changes with more and more middle-class consumers entering the property market and becoming property owners (Awe, 2001). Although there has been a dramatic increase in middle-class consumers entering the property market, there are no clear scientific study or indication of what the housing preferences and attributes are that this specific market is looking for.

Scientific and reliable information with regards to the preferences and attribute importance of middle-class consumers in the housing market and specifically in Potchefstroom will enable all stakeholders, from first time home buyers, property developers, government departments, city councils and estate agents, to make more informed and calculated housing decisions.

Dewar (1993), describes housing as a process that provides a household access to shelter, services, infrastructure, employment opportunities, tenure, and facilities. Roske (1983:106), defines preferences as expressions of values but also states that an expressed preference may not directly relate to a single or obvious value. Preferences are temporary states of mind about what kind of housing is desired and feasible at the current moment given the current constraints. According to Morris and Winter (1978:26), these preferences are consistent and can change whenever significant changes in these constraints occur.

Shlay (1998:481), maintains that a study regarding the housing needs of consumers is important for several reasons. Residential preferences are economically important because housing expenditure is extensive and represents a significant proportion of household income. The housing industry also employs many people and this industry stimulates consumption of household goods. Housing is also central to economic development, and it is important for stakeholders to understand the consumer preferences to enable them to make informed economic decisions with regards to housing and housing practices.

Shlay (1998:481), states that residential preferences have social relevance and are also important for the development of policy. Certain housing types are supported and even promoted by public policy through, for example, transfer duty exemptions, housing subsidy schemes and planning techniques (Shlay, 1998:481). The housing can also enable consumers to access life-sustaining amenities, and it can become a critical key by which a consumer can progress socio-economically.

The political importance of housing preferences is highlighted by Moja (2004:1) who believes that that the National Housing Programme of South Africa strives to provide adequate housing that meets the needs of the consumers and that will uplift the life quality of consumers.
Different housing attributes influence a consumers’ decision to buy or rent a specific house. The main housing attributes that have been identified in previous studies are:

- Extrinsic attributes such as exterior design and exterior space (Bhatti & Church, 2004:40; Wang & Li, 2006:307).
- Neighbourhood and other locational factors such as pollution, quality of the neighbourhood, quality of schools, neighbourhood safety, commuting time and employment concentrations (Yusuf & Resosudarmo, 2009; Wachs et al., 1993).

With regards to preferences, previous related research distinguishes between stated and revealed preferences (Shi, 2005:23). According to Shi (2005:23), revealed preferences are based on actual housing choices and stated preferences are based on intended choices or hypothetical choices. It is also indicated that Macro-level factors such as housing market, housing system, and economic situation as well as micro-level factors such as age, household composition, income and current housing situation must be kept in mind when considering housing preferences (Tremblay & Dillman, 1983:70).

There are many different definitions of ‘middle-class.’ Factors such as education, environment, wealth and social networks are often included when defining middle-class (Mawer, 2005). As per a Standard Bank report, using data compiled by the Bureau of Market Research, the middle-class in South Africa comprises of 18% of the working age population. They put the starting annual income classification of the South African middle-class consumer at R109 001 for the emerging middle-class and the end income for the upper middle-class at R783 000 per annum (Kersley & Stierli, 2015).

Kochhar (2015), defines middle-class as an achievement of tertiary education, including financiers, lawyers, doctors, and clergymen, regardless of their wealth. His definition includes belief in values, such as high rates of the house or long term lease ownerships. The definition includes consumers who have employment that is perceived to be secure, being of a middle range income, and these consumers usually have a low rate of union membership. People who satisfy most of these factors are found in towns around South Africa and can be termed middle-class (Khumalo, 2010).

This study focuses on the middle-class consumers, in other words, consumers that will qualify for a housing bond of between R 500 000– R 1 500 000. According to ABSA’s quarterly review of 2011 (Anon, 2011), there are almost 6 million residential properties on the Deeds Registry. Some 3.5 million of these are valued at less than R500 000. 58% of properties in SA are thus worth less than R500 000 each showing that affordable housing for the middle-class group needs prominence and focus.
According to a Bond originating organisations in Potchefstroom (Better bond, 2015) the demographic profile of the middle-class consumers applying for financial assistance can be outlined as follows: 60% African, 25% White, 10% Coloured and 5% Other.

As this study’s focus is especially on Potchefstroom’, it is important to provide information on the main related features of Potchefstroom and the North West Province. By Statistics South Africa, the North West Province is the fifth largest province, occupying 9.5 per cent (116320 square kilometres) of South African soil. The province's economy relies 86% mainly on mining, agriculture, and manufacturing. Statistics South Africa, (2011) found that the population of the province accounts for about 8 per cent of the total South African population and is dominated by the black African population group constituting 91 per cent of the total population. Unemployment in the North West is at 40 per cent with poverty exceeding 50 per cent (MBD findings, 2008:5). The province consists of. Four district municipalities and 21 local municipalities. North West is demarcated into four district councils, which are Bophirima District Municipality, Dr. Kenneth Kaunda (Southern) District Municipality, Ngaka Modiri Molema (Central) District Municipality and Bojanala District Municipality. The area encompasses a total of 15 712 square kilometres with a projected population of 810 140 (MDB Findings, 2008:5). The population of the Southern district municipality accounts for 22.08 per cent of the population of the province.

The literature suggests that housing attributes, preferences and related factors play an important role in the housing decisions of consumers and that the importance of different housing attributes varies from consumer to consumer (Opoku & Abdul-Muhmin, 2010). Social and cultural considerations are also important factors impacting on consumers’ eventual housing decisions. This research takes the attributes and preferences as well as the abovementioned cultural and social components into consideration and examines the relevance of these conclusions for the middle-class consumers in Potchefstroom. With the above mentioned in mind, the following research questions have been formulated:

➢ What is the most important housing attributes amongst middle-class consumers in Potchefstroom?
➢ Is there a correlation between housing preferences, attributes, socio-demographics and the socio-economic status amongst middle-class consumers in Potchefstroom?

1.3. OBJECTIVES

The research problem was addressed through pursuing the following research objectives.

1.3.1 General objective

The general objective of this research is to determine the housing preference and the importance of certain housing attributes among middle-class consumers in Potchefstroom.
1.3.2 Secondary objectives
The following secondary objectives were derived from the main objectives of the research to:

- gain background information on middle-class consumers within Potchefstroom;
- determine if there is a relationship between the housing preferences, the socio-demographic and socio-economic characteristics of the respondents and what the relationship are; and to
- To make recommendations for further research with regards to housing preference and housing attributes of middle-class consumers in Potchefstroom.

1.4 RESEARCH HYPOTHESES

The hypotheses relating the variables are as follows:

H0: Housing values, Intrinsic attributes, Extrinsic attributes as well as neighbourhood and other locational factors, does not play an influential role in the housing decisions of middle-class consumers in Potchefstroom.

H1: Intrinsic attributes (such as cost and size) play an influential role in the housing decisions of middle-class consumer in Potchefstroom.

H2: Extrinsic attributes (such as exterior design and exterior space) play an influential role in the housing decisions of middle-class consumers in Potchefstroom.

H3: Neighbourhood and other locational factors (such quality of the neighbourhood, location to amenities) play an influential role in the housing decisions of middle-class consumers in Potchefstroom.

1.5. RESEARCH DESIGN

1.5.1 Research Approach

This study uses a quantitative approach to investigate the stated research question and objectives. A non-experimental research design namely the correlational design was used (Welman et al., 2012:94). A quantitative approach is appropriate for this study as it focuses on the objective observation and measurement of certain variables. Similar international studies have also identified specific housing attributes and preferences.

This study aims to determine the relevance and applicability of these housing attributes and preferences amongst middle-class consumers in North West Province and specifically Potchefstroom. As there is a great degree of regularity and orderliness in the
phenomenon to be studied a Non-experimental research design has been used (Welman et al., 2012:94). Data have been gathered with a structured self-administered questionnaire which has been statistically analysed for frequencies and correlations.

1.6 RESEARCH METHOD

1.6.1 Literature review

The aim of the literature review was to gain a thorough knowledge and understanding of the constructs and variables that were being researched. It was important to consult relevant and reliable sources to gain an understanding of the current situation about the research field.

Boote and Beile (2005:4) argue that the literature review set the context of the study and is the foundation of any research project. The literature review should aim to accomplish several important objectives.

The researcher made use of the North West University Library’s database of academic journals by mostly making use of Google Scholar, and EBSCOHOST to do the literature review. Special attention was given to gather information with regards to previous studies done on related topics.

1.6.2 Research participants

This research focuses on a better understanding of the housing preferences and attributes of the middle-class consumers of Potchefstroom. Although there are many factors that needed to be taken into consideration and that contribute to the definition of middle-class consumer, this study uses the gross income of the participants as the focus. A non-probability accidental sample was used in this study. Two Estate agents and two Bond originators who focus on the real estate environment of the middle-class consumers in Potchefstroom were asked to identify 120 consumers that qualified for a housing bond of between R 500,000 - R 1,500,000. The respondents that took part in the research consisted of different ethnic groups representing the market segment of middle-class consumers in Potchefstroom. The consumers were approached, and the aim of the study was explained to them. The principles of confidentiality and written consent were also explained to them before they completed the structured questionnaire.

1.6.3 Measuring instrument

A structured self-administered questionnaire was designed using the questionnaire of Shi (2005) as a template. The questionnaire was divided into three sections. Section1 aimed at gaining information with regards to household characteristics. Attention was given to information with
regards to the specific population group, the age of the respondents, education level, marital status, employment status, the size of the household, stage of life, housing values and household income. Section 2 was aimed at gaining information with regards to the housing preferences; paying attention to the identified stated and revealed preferences as well as the extrinsic and intrinsic housing attributes (Shi, 2005, Opoku, & Abdul-Muhmin, 2010). This included items such as the appearance of the house, the number of bedrooms, the number of bathrooms, the number of living rooms, the quality of the kitchen, the number of cupboards, the appearance of the garden, swimming pool, air conditioning, swimming pool, for example.

Information about the housing preferences was also gathered by first formulating two possible housing options. For example: “Do you want a house with a) Good resale value or b) that meets all your personal needs? This was supported by a list of preferences such as the appearance of house, security and swimming pool. The participants had to indicate on a scale from 1 – 4 (where 1 is very important, and 4 is not important at all) to what extent they considered these housing aspects as important in their choice of housing.

Section 3 aimed at gaining additional attribute information paying attention to the neighbourhood and locational factors such as quality of schools in the neighbourhood, neighbourhood safety and commuting time. Section 1 and 2 are very similar to the questionnaire of Shi (2005) and Section 3 was developed and adapted for Potchefstroom context from the study of Opoku and Abdul-Muhmin (2010).

The above-mentioned questionnaire was proved to be reliable and valid in the study of Shi (2005). Statistical Consultation services of the North-West University Potchefstroom was consulted to work through and examine Section 3 and the changes to the template questionnaire to ensure reliability and the validity thereof.

1.6.4 Research procedure
The research was conducted in three phases. In phase one attention was given to the development of the questionnaire and liaising with the estate agents and bond originators with regards to the focus of the study, their role in the research and especially the contribution that the study would make and how they would be able to use the results in their everyday working environment. The estate agents and bond originators that were used were agents that the researcher already had a sound working relationship with and therefore it was not necessary to arrange for additional
meetings to become acquainted. An appointment was made with statistical consultation services to get their input on the questionnaire and whether the data gathered would be valid and reliable. In the second phase, a pilot study was conducted where 5 participants were randomly selected to complete the questionnaire. After the completion of the questionnaires, feedback was asked from the participants with regards to possible uncertainties with regards to the questions and the outcomes of the study. The questionnaire and the feedback from the participants will also be discussed with the estate agents. Corrections were made, and the completed 5 questionnaires were taken to Statistical consultation services to check whether the response obtained could give an indication of the reliability and validity of the questionnaire.

The final phase of the study was to meet with the estate agents and give them a clear outline of what was expected of them. They were given the questionnaires to be completed, and the researcher indicated to them when they would be collected. A clear explanation of who was supposed to complete the questionnaires (race and income levels) was also given.

1.6.5 Statistical Analysis
The data gathered through the questionnaires were statistically analysed by the Statistical Consultation services of the Potchefstroom Campus of the North-West University. The aim of the analyses was to see the frequency tables of the various preferences as well as the correlation between the socio-demographic information and the different preferences.

The detailed discussion of the findings is stated in Chapter 4 and the limitations of the research and recommendations are discussed in Chapter 5.

1.6.6 Ethical considerations
This study was approved by the North West University ethics committee. According to Walliman (2011:43), it is very important to take ethical consideration into account when doing research involving humans as respondents. Throughout the special research attention was given was given to the following ethical considerations, namely:

- The privacy of respondents was respected, and the confidentiality of respondents was considered as of the utmost importance;
- The results were reported honestly;
- No harm was fell on the research participant;
- All participants took part voluntarily, and it was based on informed consent;
- A thorough literature review was done to make sure that the research was not duplicated;
• Plagiarism was avoided. The use of other researcher’s ideas or data was acknowledged; and
• Misleading reporting of obtained results was avoided.

The researcher also ensured that he adhered to the following four ethical considerations:

• Competence: The researcher ensured that he did a thorough study and report of the chosen subject and did not damage the reputation of the research organisation.
• Literature review: The researcher made sure through his literature review that this study was not duplicating previous published studies with the same title.
• Plagiarism: The researcher made sure to adhere to strict plagiarism compliance guidelines of the institution and thus gave acknowledgement to due parties.
• Falsification of results: No results was changed or fabricated after they were evaluated and analysed.

1.7. CHAPTER DIVISION

Chapter 1- Chapter 1 provides the introduction to the study and highlights the problems at hand. The chapter explains the objectives of the research, research variables, the hypothesis and the research methodology. The chapter serves as introductory to the field of study.

Chapter 2 - The second chapter focuses on the discussion of literature about general theories about housing, general consumer behaviour, consumer decision making, buying values and preferences influencing the decision-making process of property buyers. Furthermore, attention will be given to understanding the construct middle-class consumers as well as the unique context of the property market in South Africa and more specifically Potchefstroom.

Chapter 3 - Chapter 3 gives an outline of the methodology and research design used for this study. Emphasis is also given to approaches, methods and techniques that were used to collect data. The chapter also covers sampling design and the data analysis procedures. The target population of the study is also discussed in the chapter.

Chapter 4 - This chapter gives a detailed analysis and interpretation and a discussion of the data obtained through the research, including descriptive statistics of the socio-demographic and socio-economic characteristics of the respondents.
Chapter 5 - The final chapter in the study gives a breakdown of the limitations of the research, recommendations for future research and the conclusion.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION
Nationally in South Africa and internationally middle-class income consumers have a huge impact on the property market. A better general understanding of their decision-making processes and factors influencing it will be of utmost value for estate agents, developers, local municipalities as well as government institutions. South Africa is a country of diversity and many different characteristics influence consumers in their unique way of decision making. This study focuses especially on the middle-income consumers of Potchefstroom in the North West Province, and the value thereof will be to give a better understanding of this specific group’s housing values and preferences.

This chapter will firstly look at the literature relating to general theories relating to housing, general consumer behaviour, consumer decision making, buying values and preferences influencing the decision-making process of property buyers. Specific attention will be given to a better understanding of what is seen as values, attributes, and preferences influencing the decision-making process when buying a property.

Furthermore, attention will be given to understanding the concept of middle-class consumers as well as the unique context of the property market in South Africa and more specifically Potchefstroom.

2.2 RESIDENTIAL LOCATION THEORIES AND MODELS
To get a better understanding of the broader picture of where the housing preferences of middle-class consumers fit in, it is important to outline an overview of the different theories applicable to this field of study.

2.2.1 Hedonic approach
The hedonic pricing model is based on the assumption that a product is made up of some different individual components of which each component has a specific value or price. The market value of the product will then be the combined total value of all these individual components (Kain & Quigly, 1977). Rosen (1974:34) formally structured the hedonic model and found that “goods are valued for their utility-bearing attributes or characteristics.” The hedonic pricing model identifies different price factors
that play a role in the determining of the price of a product. These characteristics can be both internal and external. In the housing market, for example, the market value of a property is determined by a combination of the specific characteristics of the house and the characteristics of the surrounding area. These can include internal characteristics like the size of the property, the number of bedrooms and bathrooms or external characteristics like accessibility to churches or schools. The importance of and the impact of these individual characteristics on the value or price of a property can vary from one consumer to another (O’Sullivan, 2000).

If one uses the hedonic pricing model one can estimate the value that each of these individual components adds or the importance thereof in comparison to the other characteristics when determining the value or price of a specific property, (Investopedia, 2016).

This pricing model is very useful to all stakeholders in the property industry because it can identify the different characteristics that add the most value for consumers. This information can then be utilized in future decision making by these stakeholders, (Investopedia, 2016).

2.2.2 Theory of Reasoned Action
The Theory of Reasoned Action was developed in 1980 (Ajzen & Fishbein, 1980). The theory tries to elaborate and predict the intentions of how someone is going to behave. In general, the theory consists of attitude, intention, and a subjective norm.

According to Ramayah & Suki (2006), the theory suggests that a person’s behavioural intentions will depend on his/her attitude and subjective norms.

2.2.3 Theory of Planned Behaviour
The Theory of Planned Behaviour was developed in 1991 as an extension of the Theory of Reasoned Action (Ajzen1991). The theory aims to predict behaviour in real-world mode accurately.

This theory is often used to predict the intentions of consumers. According to Ajzen (1991), the behavioural intention of a person can be influenced by an attitude toward the behaviour, the perceived behavioural control and the subjective norm.

According to Phungwong (2010) consumers often use the Theory of Planned Behaviour to try and understand how the different factors influence their intentions to buy a certain property. Numraktrakul et
al. (2012) state that the theory aims to help consumers understand the relationship to perform certain behaviours.

**2.3 GENERAL CONSUMER BEHAVIOUR**

In the fast changing environment that we live in, it imperative to understand the way in which consumers behave and more specifically what and why they behave in certain ways. Products and services are constantly changing and to have the first-mover edge and stay ahead of the competition, one must comprehend general consumer behaviour. It is important to understand what consumers want and what preferences or attributes they favour and take into consideration when making buying decisions. It is thus of the utmost importance to understand one's business target customers and to understand their behaviour.

Consumer behaviour can be defined as the way in which people make decisions to acquire, utilise, and dispose of ideas, goods or experiences to satisfy their desires and needs (Kotler & Keller, 2009).

Schiffman et al. (2012:5) define consumer behaviour as “seeking, purchasing, using, evaluating and disposing of products and services that they expect to satisfy their personal needs”. Hoyer and Macinnis (2010:3) defines consumer behaviour much broader as “the totality of consumers’ decisions on the acquisition, consumption, and disposal of goods, services, activities, experiences, people, and ideas by human decision-making units over time”.

It is vital for organisations to understand consumer behaviour, because if they do not take into consideration how consumers will react or respond to a certain product or service, the organisation can face financial losses due to competitors having the edge over them.

Solomon (2009) believes consumer behaviour is very complex because consumers react different to products or services and these behaviours can be influenced by many factors. Understanding the theories and concepts of consumer behaviour can help organisations to understand consumers and successfully market and sell their services or products.

Cultural, social, personal, and psychological factors all have an impact on and influence the buying behaviour of customers. Cultural factors usually have the most influence on consumers because these behaviours, perceptions and values have been embedded in consumers since childhood (Solomon 2009).

Consumers and groups of individuals are in daily contact with each other, and a tug of war of information is constantly taking place. This social interaction and information exchange can lead to
confusion and consumers being influenced by each other. This influence by others can have a direct or indirect outcome of the buying decision-making process (Schiffman et al., 2012).

2.4 PURCHASE DECISION-MAKING PROCESS

When making purchase decisions, there are many different factors and elements that can influence the choices people make. The importance that these individual characteristics play in the decision-making process can vary from consumer to consumer. The more a consumer values a specific characteristic, the more weight it will carry in the specific decision-making process. These individual characteristics include the age of the consumer, the life-cycle stage that the consumer is in, the occupation of the consumer, economic circumstances, and lifestyle. Personality and self-conception can also influence the buying behaviour of a consumer (Kotler & Armstrong, 2014).

Some researchers use the psychological state and behaviour of individual consumers as a reference when discussing the purchase decision-making process (Howard & Sheth, 1969:467; Engel et al., 1968). They believe that the decision-making process starts when a specific need is triggered. This need will lead to the consumer searching for information on a specific product or a similar product and an investigation and an evaluating of alternatives products. If the consumer is satisfied with the information gathered, it will lead to the purchase of the specific product or service. After the purchase, it will be followed by the final evaluation of the consequences of the purchase (Howard & Sheth, 1969:467; Engel et al., 1968).

The assumption is that a purchase act is preceded by a sequence of mental information processing. This involves a cognitive function in forming beliefs, an emotional component in developing positive or negative attitudes, and a reaction through being motivated to select and buy a specific product (Howard & Sheth, 1969:467; Engel et al., 1968).

Kotler and Keller (2009) argue that some theories divide the decision-making process into two different sections, namely the pre-purchase process and the post-purchase decision-making process. The pre-purchase process consists of the stages before the consumer purchases the products or service. This pre-purchase stage, includes problem recognition, searching for information and the evaluation of alternatives. The post-purchase process involves all the acts and experiences that follow the actual purchase of a product or service. This stage includes the post-purchase stage, the post-purchase
satisfaction, post-purchase dissatisfaction and disposal of the products or services stage (Kotler & Keller, 2009).

Kotler and Armstrong (2014) maintain that the buyer decision-making process, starts long before and ends long after the actual purchase of a product takes place. Through the years much research has been done on the different stages of the buying decision process, and five clear stages have been identified through this research (Kotler & Armstrong, 2014; Schiffman et al., 2012; Quester et al., 2011; Solomon, 2009).

The first stage in the buying process is the need recognition stage where a need for a product is identified by a consumer. Internal or external stimuli can trigger the need (Kotler & Armstrong, 2014:176).

The second stage is the information search stage where a consumer accumulates information on the product that the consumer wants to acquire. The information can be acquired through previous experiences with the product, personal sources, public sources, experimental sources or commercial sources (Kotler & Armstrong, 2014:177).

During the evaluation of alternatives stage of the buying process, the consumer uses the information gathered to evaluate and compare the information with other competitors or other similar brands. Consumers will use criteria and characteristics that they prefer to make their comparison and eventual decisions. Consumers will attach certain degrees of importance to each attribute according to their individual need or want and base their buying decision on this information (Kotler & Armstrong, 2014:177).

The purchase decision stage is where the consumer makes a choice to buy the most preferred product and the fifth, and final stage is the post-purchase behaviour stage. During this stage of the buyer decision process, the consumer will decide to take further action after the purchase based on whether he is satisfied or not with the product. This satisfaction or dissatisfaction is based on whether the product has met the expectation of the consumer or not (Kotler & Armstrong, 2014:178).

2.5 TYPES OF BUYING DECISION BEHAVIOUR

Different products require different types of buying decision behaviour from consumers. Previous research has identified four different types of buying decision behaviour each with its unique
characteristics. These different buying behaviours are habitual buying behaviour, Dissonance-reducing buying behaviour, complex buying behaviour and variety seeking buying behaviour (Kotler & Armstrong, 2014:174).

Habitual buying behaviour requires low customer involvement, and there are very little perceived differences between similar products from different suppliers (Kotler & Armstrong, 2014:174). This buying behaviour is usually present when consumers buy frequently purchased products for example bread and milk. These brand beliefs are created by passive learning for example television advertisements (Kotler & Armstrong, 2014:174).

According to Kotler & Armstrong (2014:175), Variety-seeking buying behaviour is also characterised by low consumer involvement but differs from habitual buying behaviour because there are significant perceived differences between different brand names. Consumers will try different brand names for the sake of variety and not due to the fact they are dissatisfied with a certain product of a specific supplier.

Dissonance-Reducing buying behaviour occurs in situations where consumers are highly involved in the decision-making the process even though there is not perceived differences among different brands. One can often see this buying behaviour with expensive, risky or infrequent purchases (Kotler & Armstrong, 2014:175). Consumers can also experience post purchase dissonance when these products are purchased.

Complex buying behaviour is characterised by high consumer involvement in the purchase process and the presence of significant perceived differences among different brands (Kotler & Armstrong, 2014:175). Consumers are highly involved when the product is expensive, infrequently bought, risky and highly self-expressive. Before making these purchases, consumers will speak with sales professionals, friends or other consumers and do research on the specific product or a large number of potential options.

Typically the consumer does not know much about the product category and has much to learn. Most real estate purchases would be considered high involvement goods that would require complex decision-making. The purchaser will have to take much information into consideration before buying a specific product. Complex buying behaviour is characterised by much time spent on the different steps within the buying process. The buyer will pass through a learning process, firstly developing beliefs about the product, then the different attitudes, and then make a thoughtful purchase choice. If consumers make wrong choices, it could also lead to post-purchase dissonance (Kotler & Armstrong, 2014:176).
2.6 HOUSING VALUES, ATTRIBUTES, AND PREFERENCES

2.6.1 Introduction
This study aims at comprehending the decision making and especially the buying decision-making process within the housing and property contexts. With the abovementioned with regards to consumer behaviour and decision making in mind, one will examine how it fits into the housing context. The main concepts of understanding this regards the constructs housing values/attributes and housing preferences.

To set the scope of this study clearly, it is important to distinctly define and distinguish between housing values, attributes, and preferences. Consistent with Shi (2005), housing values can be seen as the underlying criteria for all choices in housing and all aspects of life. Values can be seen as the drivers of what we consider to be valuable, desirable and what we ought to be.

2.6.2 Values
Beyer et al. (1955) were a pioneer in the field of research on housing values. At first, he identified nine personal values relating to housing. The nine values included values of family centrism, equality, physical health, economy, freedom, aesthetics, prestige, mental health, and leisure. In the same study, he indicated that a family normally has more than one personal value and that these values should be considered in a hierarchical manner.

When making housing decisions, families have to make a trade-off between different housing values (Shi, 2005; Lindamood & Hanna, 1979). With this hierarchy of values in mind, Beyer distinguishes between four main values, namely the economy, family, personal and social prestige. Shi (2005) gives the following outline of these clusters:

- **Economy** – the families in this cluster emphasise the economic uses of goods and services. They base choices on selling price and what they consider sound business judgment. They are conservative and take only calculated risks.

- **Family** – the emphasis in this cluster is on factors that hold the family together and improve family relationships. They are alert to influences that affect the physical and mental well-being of family members.

- **Personal** – families in this cluster take a personal view of their physical and social environment. They are more individualistic and desire independence and self-expression.

- **Social** – the families in this category are considered upwardly mobile and view housing regarding its effect on their social standing.
Two values that were identified but not clustered as it needed further investigation were freedom and social prestige. Beyer argued that people were unwilling to acknowledge that these values played a role in their decision making and therefore the contradictions found in the research with regards to these two values (Shi, 2005).

Housing values are on the deepest level of consumer decision making and behaviour. The housing value determines how one is going to approach the different housing attributes or features and which attributes one will probably prefer.

For the purpose of this study, namely analysing the housing preferences of middle-class consumers in Potchefstroom, specific attention will be paid to better understanding of the concepts housing attributes and housing preferences.

2.6.3 Housing attributes

Housing attributes are hierarchically seen on the next level of consumer decision making and behaviour regarding housing choices and decisions. Attributes can be described as a quality proper to a characteristic of a person or thing (Zinas & Jusan, 2012). According to Botschen et al. (1999), attributes are characteristics of products, services, or behaviour that can be seen as the intrinsic and physical features, properties or characteristics that define a product or person.

It seems literature agrees to distinguish in essence between intrinsic housing attributes and extrinsic housing attributes (Opoku & Abdul-Muhmin, 2010; Zinas & Jusan, 2012; Wang, 2002 & 2011; Cupchik, Ritterfeld & Levin, 2003; Bhatti & Church, 2004). Mahmud (2007) suggests that intrinsic and extrinsic attributes could also be called concrete (intrinsic) attributes and abstract (extrinsic) attributes. Olson and Reynolds (1983) confirm this categorisation and add by stating that concrete attributes are characteristics in the core and essence of the product, in the context of this study, the property.

Intrinsic housing attributes refers to aspects such as interior living spaces and include aspects such as housing size, housing type, internal house design, housing age at the time of transaction (years), material the house is made of, plot size, living room, dining room and kitchen, total bedrooms in the house, numbers of bathrooms, patio, balcony, internal layout, style of the house, overall condition and others. Dale-Johnson and Phillips (1984) identify lot size, the number of bedrooms, the number of bathrooms, square footage of living space, year built, the number of fireplaces and the internal condition as intrinsic housing attributes (Cupchik, Ritterfeld & Levin, 2003; Dale-Johnson & Phillips, 1984; Greene & Ortuzar, 2002). Mahmud (2007) classifies concrete attributes into two groups, namely, element and
relationship, as it relates to housing. Intrinsic housing attributes are considered to be the most important part of the housing product (Cupchik, Ritterfeld & Levin, 2003).

Abstract attributes are defined as the directly perceptible physical characteristics of a product, e.g. price, neighbourhood, location and distance (Vriens & Hofstede, 2000). It also has relatively intangible characteristics, such as style and brand (Lin, 2002), or perceived value or importance (Botschen et al., 1999) and locational indicators such as environmental qualities (Cupchik, Ritterfeld & Levin, 2003; Dale-Johnson & Phillips, 1984; Greene & Ortuzar, 2002). Mahmud (2007) defines abstract attributes as “meanings” perceived by the housing user (Zinas & Jusan, 2010).

Many previous studies have identified a range of extrinsic housing attributes. These studies concluded that extrinsic housing attributes could be divided into three categories: housing exterior design and space, environmental attributes and location attributes.

1) **Housing exterior design and space** - Based on past studies, only a few exterior attributes are believed to influence consumers housing purchase choices. These attributes can be roughly divided into two types: exterior design and exterior space. The exterior design includes the appearance of the house, type of finish, quality of finish, the presence of a garden, the function of the garden, the type and the quality of roof, external walls, and external floors. Exterior space refers to the size of garden and size and the type of public area (such as swimming pool, recreation room, public kitchen and/or game room) (Bhatti & Church, 2004; Greene & Ortuzar, 2002; Opoku & Abdul-Muhmin, 2010).

2) **Environmental attributes** - Besides house characteristics, many residents are also concerned with other extrinsic factors which affect their houses. Thus, many researchers attach importance to identifying these factors. The attributes of the environment around the residential house are mentioned most frequently in recent studies. The housing environment includes a very wide range of attributes, such as neighbourhood characteristics, time in neighbourhood (Arimah, 1997; Cheshire & Sheppard, 1995; Fierro et al., 2009), environmental pollution, danger, air pollution, open space, greenery, security, cultural characteristics of the environment, street lighting, noise, pollution, rainwater drainage, footpaths, width of roads and pavements, orientation, layout of the street and geographic aspect (Ekeland, Heckman, & Nesheim, 2004; Rojas & Greene, 1995).

3) **Location attributes**- In modern society, everyday convenience is considered very important, and it drives people’s willingness to pay for access to the location’s facilities and services.
Facilities and services are two more types of extrinsic factors. Facilities include downtown area, mainstreet, schools and nurseries, health centres and hospitals, shopping centres, food courts, sports facilities, libraries, social activity centres, churches. Location services include public transport, refuse collection, public phone and other community services (Fierro et al., 2009; Greene & Ortuzar, 2002; Yusuf & Resosudarmo, 2009).

In theory, one could say that there are most probably indefinite numbers of internal and external characteristics within a building that add value (Hawkins et al., 2011). How to set criteria and choose between the different attributes is a very personal process where the consumer needs to identify the attributes with the benefits they desire. Consumers tend to identify the major attributes of the product which they perceive as the most valuable, rate the importance of these different attributes, and then assess their willingness to pay for these desirable attributes (Kotler & Armstrong, 2009; Kotler & Keller, 2009).

Some researchers argue that houses can be seen as a bundle of attributes and that the real decision-making process is when these attributes are considered, and a choice is made of which bundle of attributes they prefer. This decision-making can also be called the process of housing choice or housing preferences (Coolen & Hoekstra, 2001).

2.6.4 Housing preferences:
A preference can be defined as selecting something or someone over another or others. If one look at a meaning of housing preferences it can refer to the different housing characteristics that an individual can choose above another (Shi, 2005). A Housing preference can be defined as the “expressions of values” (Roske, 1983:106), as well as “a temporary state of mind about what kind of housing is desired and feasible at the current moment given the current constraints” (Morris & Winter, 1978:26, 40).

Housing preferences are dynamic and are influenced by a great variety of factors. Housing preferences are inherently unstable and can be expected to change for a specific household due to a variety of reasons, especially whenever significant changes in the constraints occur (Steuterville, 2014; Roske, 1983). According to Williams and Durrance (2008) the fact that humans are rational with regards to spatial choices and that they are always trying to maximise their welfare or profit, it should be seen as the basic underlying assumption of the study of any real estate decision making.

It is vital to distinguish between housing norms, values, and preferences (Morris & Jacubczak, 1988, Morris & Winter, 1978). The difference between these constructs lies in the fact that norms and values
as applied to specific households can be quite homogenous and the same, whereas the preferences can differ enormously among different segments of society. The development of preferences normally happens quickly, and in most instances, it could be seen as temporary and produced by constraints of circumstances. Norms, on the other hand, are a product socialisation and are not altered by the development of preferences (Litman, 2016).

Housing preferences reflect desired types of housing situations and encompass many dimensions of housing (Shlay, 1998:481). Morris and Winter (1978) provide a reasonable explanation of preference, where they state that “preference is a relaxed norm; the norm applied by a social system to itself in light of actual conditions and extenuating circumstances. Preferences, by definition, make the permissible deviation permissible.” It should be noted that preference development happens quickly, is temporary and is produced by the constraints of circumstances, while norms are not altered by preference development, but are produced by socialization (Morris and Winter, 1978). Shlay (1998:482) argues that housing norms should be seen as an explanation for housing preferences rather than an expression of the societies’ housing norms.

It seems that there is a clear distinction made between stated and revealed preferences. Revealed preferences are based on actual housing choices whereas stated preferences are based on intended choices or hypothetical choices (Coolen & Hoekstra, 2001). When one looks from a socio-demographic perspective, there are several factors that can influence a household’s housing choice. Factors that were previously identified in the literature are aspects such as household composition, the life stage and ages of the respective household members and also the life cycle of the family (Brownn & Uyan, 2004, Beamish et al., 2001). It was found that the size and the composition of the household create the demand for housing which leads to a specific housing preference (Shlay, 1998). Beamish et al. (2001) indicated that the life cycle’s stage also impacts greatly on the housing preferences of home buyers. An example of the stages of the life cycle based on Duvall’s work, quoted by Beamish et al. (2001:6), is:

- Single stage – under 35, no children;
- Couple stage – married, no children;
- Childbearing family stage – married, birth of first child;
- Pre-school family stage – married, young child;
- School-age family stage – married, older children;
- Launching family stage – married, oldest child has left home;
- Middle-aged family stage – head over 45, no children at home, empty nest; and
The relation between residential preferences, mobility, change of residential preference during lifespan and family life cycle, are major branches of housing studies concerning demographic determinants (Hoang, 2011). Williams and Durance (2008) argues that housing needs and norms change as the stage of life cycle shifts. As children, for example, grow older, they need more storage space and room for activity. Marital status and the aspects that go with that (divorced, widowed, married) also impacts on the housing preferences of a home-buyer (Sirgy, Grzeskowiak & Su, 2005; Williams & Durance, 2008; Dökmeci & Berköz, 2000; Shlay, 1998).

One of the main influences of household composition and especially households with young children seems to be the trend to move to suburban areas because of the child-friendly features. Interesting however was a study in the Netherlands which found that the middle-class buyers with children showed a tendency rather to move to urban parts. Explanations for this tendency were given that with the time constraints on both parents working living in urban areas, no extra time is wasted on commuting as well as the fact that new generation middle-class consumers prefer being urbanite (Hoang, 2011; Karsten, 2007).

Socio-economically there are also some important factors to consider with regards to housing preferences. Three main socio-economic factors influencing housing preference are identified, namely:

1) **High-income** people prefer a housing option involving ownership whereas lower income people may adjust their preferences based on their recognised inability to buy a home.

2) **The Level of Education**: The higher the level of education the more the society’s norms have been internalised and thus affect the housing preference. For example, it seems those with a higher level of education prefer single family home ownership to a greater extent than those with lower education.

3) **Occupational prestige**: One's work hours and expectations will influence one's housing preferences. For example, blue-collar workers might prefer to stay close to their workplace, because of long working hours and travelling costs. White collar workers, on the other hand, might prefer living in a single family home situated in the suburbs (Shlay, 2006; Al-Momani, 2000; Tremblay & Dillman, 1983:59; Karsten, 2007).

Roske (1983:98) combine the above-mentioned variables and uses the construct social. He argues that social class is not just about income, but is actually about the combination of the level of income, the
level of education and occupational prestige. It is stated that there are mainly four levels of social class: lower-class, working-class, middle-class and upper-class.

The focus of this study is on the middle-class. Roske (1983) also divides the middle-class into a lower middle-class and upper middle-class (Roske, 1983:98; Michelson, 1976:112). People in different social classes have differing views of their houses (Karsten, 2007; Steuteville, 2014; Shlay, 2006). Roske (1983) gives an example illustrating the abovementioned states the following: “a lower level household would postpone the maintenance to their house until they are going to move to increase the reselling price. Middle-class people would improve and maintain their house occasionally, to satisfy their expectations for their home. The highest social class person, however, would pay for the improvement and maintenance, or directly choose to move to a nicer new place over improving the existing one, in order to maintain the family’s social status. With totally different intentions, different groups of people choose different ways to improve their housing environment”.

Interesting in this regard is to take note of a study done by Niedomysl (2008) in Sweden where he found that demographic variables such as age, sex, family composition and number of children had a significant effect on residential preference, while socio-economic variable did not.

Shlay (1998 & 2006) further the abovementioned argument by adding aspects such as politics and government policies and the influence these have on housing choices. Together with that, land use and regulation, as well as poor service delivery in certain neighbourhoods will play a role with regards to housing preferences and choices.

Some anthropologists and sociologists have stressed the role of culture in directing housing market dynamics. If a certain norm is set for housing and there are people that cannot live up to that norm or standard it will leave them with a feeling of deficit and frustration as a result of the culturally set norms and expectations. It can almost be said that there is an overriding cultural system intrinsic to human nature which guides local housing distributions and residential decisions (Tremblay & Dillman, 1983).

Andersen (2009) takes the identification of certain housing preferences and their interaction with socio-demographics and socio-economics one step further by grouping certain housing features and attributes together. The relative importance of the housing characteristics is used to decide which characteristic to the group in which group. The four identified groups are:
1) **The dwelling and its environment**: Size of the house, the number of rooms, type of house, housing costs, options for activities and leisure, the standard of furnishing.

2) **Local area**: private local networks, lifestyle, crime and security, physical characteristics of buildings, noise, and pollution, access to green space and water.

3) **Local public and private service facilities**: culture and entertainment, institutions that consist of shops, restaurants, social activities, sports facilities, playgrounds and conditions for children, and so on.

4) **Location and transport**: distance to work/education, urban centres, and transportation opportunities, and distance to family and friends (Hoang, 2011).

The housing can be seen as more than a shelter or roof over head. It is a symbol of citizenship, social status, and arrival as well as cultural maturity (Steuteville, 2014; Shlay, 2006).

In the above discussion a variety of factors that influences housing choice have been identified and discussed. It includes factors such as socio-demographics, family life cycle and composition, marital status, socio-economic status, the level of income, education and occupation status and in combination social class.

Research done by Steuteville (2009 & 2014) found that housing preferences vary quite extensively from community to community. Most of the previous research on this topic was done in an American context. It is only recently that research in this field of study is attracting more researchers from over the world. (Vogt & Marans, 2004:255; Wang & Li, 2004:69; Arifina & Daleb, 2003:10; Prinsloo & Cloete, 2002:276; Dokmeci & Berkoz, 2000).

South African research on this topic is also very limited. From the South-African studies found in this field of study focused on a better understanding of housing preferences in a specific location such as Stellenbosch, for example (Shi, 2005), or housing relocation (Prinsloo & Cloete, 2002). These studies found that relocation in South Africa was influenced by socio-economic status. It was also found that African buyers prefer the residential areas between the previously black residential areas and the central business districts as well as high-density residential areas in or close to the central business districts. Madikane (2002) conducted a case study of Langa and focused on the perceptions and preferences of high-density residential development in low-cost housing.
2.6.5 Motivational determinants of homebuyers’ preference formation

Contemporary and traditional research has rather different ways of viewing the motivational determinants and process when deciding on buying a home. It seems that two main approaches can be identified namely:

1) Functional-congruity; and
2) Self-congruity (Sirgy, Grzeskowiak & Su, 2005).

Functional congruity can be defined as “the psychological evaluation of a home based on a comparison of utilitarian aspects of the home with ideal features”. In other words, when one is looking at the most functional aspects of the house, for example, where main daily activities take place eating, sleeping, bathrooms, for example, and comparing it to the ideal desired expectations of the homebuyer.

Self-congruity refers to how there is a match between the homebuyers own self-concept and the image of the home. The home-buyer perceive certain occupant features to be a symbol of him/herself and then internalise that feature. The better thus the match between the residential occupant image and the homebuyer’s self-concept, the more probable that the homebuyer will have a preference for and be motivated to buy that home (Sirgy, Grzeskowiak & Su, 2005).

Floor and Van Kempen (1997) differentiate between certain housing attributes based on homebuyer’s perception. They identify three groups of preferences namely:

1) **Absolute preferences**: Not-negotiable features in accepting a housing offer or option
2) **Trade-off preferences**: Features that could be sacrificed if there are other benefits as compensation.
3) **Relative preferences**: These features could be seen as a bonus and if it is not present the housing option can still be acceptable.

This model/approach gives a good look at the trade-off decision process of homebuyers when looking at different attributes (Hoang, 2011; Anderson, 2009)

2.7 MIDDLE-INCOME BUYERS

The middle-class consumer plays a central role in the political and economic development of all democracies. Throughout the world, the size, health and resources of the middle-class are seen as key factors in determining the progress of and sustainability of economic development (Easterley, 2001) (Kharas & Gertz, 2010).
Kharas & Gertz (2010) maintain that middle-income consumers represent a relatively affluent group. They provide an important base of education and skills, promote entrepreneurship and investment and are an important source of consumer demand (Kharas & Gertz, 2010).

The middle-class is often at the heart of political movements and new trends. It is also a major source of the business people and entrepreneurs who aim to satisfy new demand and of the funding needed to support their businesses, particularly in the early stages (Visagie, 2013).

Since democracy in South Africa, there has been a rapid increase in the number of African South Africans entering the higher income brackets and boosting the middle-class and subsequent consumer spending (Mawer, 2005). Leke et al. (2010) are of the opinion that this growing number of consumers entering the middle-class creates an ideal business opportunity for retailers and manufacturers focusing on this market segment.

The middle-class category is not easy to define. There are many different definitions of ‘middle-class,’ and clearly, no one agreed on definition. According to Mawer (2005), one needs to take different factors like education, wealth, environment and social networks into account when defining the middle-class. Visagie (2013) poses that there are two approaches to follow as a starting point when defining middle-class.

- The first approach is statistical of nature, and the approach focuses on households who lie within the “actual middle” of household income within a specific country. Middle-class can then be defined as households that fall within a specific income interval around this actual middle-income level.
- The second approach is to choose an interval of income per household member that reveals some conception of relative affluence (Visagie, 2013). The problem with this approach is that there is a contrast in the literature with regards to what this income per capita must be. Banerjee and Duflo (2008) found individual members of middle-class households in developing countries earn between 2 and 13 dollars per day. In contrast with this, Wilson and Dragusanu (2008) use an interval of US $16 – $82 per person per day.

Schiffman et al. (2012) argue that the definition of middle-class should make mention of different social classes and different occupations, income received as well as education. Leke et al. (2010) claim that middle-income refer to consumers who have achieved tertiary education, have professional jobs and earn middle range income. These include financiers, lawyers, doctors, and clergymen, regardless of their wealth and who have occupations which are perceived to be secure.
Most of the definitions of middle-class define the middle-class regarding a wealth band rather than an income range. This is an attractive view because it has many positives. Leke et al. (2010) also state that the middle-class have always been linked to property ownership. The fact that these consumers are property owners, usually mean that they will make long-term contributions towards the future of the country.

Leke et al. (2010) argue that an income-based only definition of the middle-class will not do justice to the elements of freedom and security. If an income based only definition is used, it means that consumers will stand the change to lose the status of being part of the middle-income group. As consumers, it means that if they are, for instance, temporary out of work, they would still have other assets that can keep them within the set wealth band of middle-class.

### 2.8 THE MIDDLE-CLASS WEALTH RANGE

If one looks at the wealth range of the middle-class consumer, Kersley and Stierli (2015), use a series of purchasing power parity values to calculate middle-class wealth bounds in local purchasing power terms. They found that countries with lower wealth per capita tend to have lower prices and their middle-class threshold is reduced accordingly (Kersley & Stierli, 2015).

Kersley and Stierli (2015) also found that 14% of the worldwide adult population or 664 million adults fall within this consumer class. Using their definition of a wealth band instead of an income range, they use the United States of America as a benchmark. Kersley and Stierli (2015) maintain that middle-class adults in the United States of America have a wealth range of between $50,000 and $500,000. Using this as a reference, the report found that middle-class South Africans accounted for 4.3 million or almost 13.7% of the adult population and that these adults need at least $22,000 in South Africa to fall within the definition of middle-class (Kersley & Stierli, 2015).

Visagie (2013) claims that the South African middle-class can be described as a household consisting of four people with a monthly income after tax of between R5 600 and R40 000 per month. He argues that the middle-class is very complicated because there is a very wide distribution of income. Consumers who have a modest living standard can be near the top of the country’s income ladder.

The National Income Dynamic Study uses monthly per capita expenditure to determine the South African middle-class. This study is undertaken by the South African Government and based on the
January 2015 figures this monthly expenditure range from R2920 to R10678 per month. This estimation shows that 15% of South Africans fall within this definition of middle-class (Skade, 2016).

A Standard Bank report, (Khan, 2015), using data compiled by the Bureau of Market Research, states that the middle-class in South Africa comprises of 18% of the working age population. They place the starting annual income classification of the South African middle-class consumer at R109 001 for the emerging middle-class and the end income for the upper middle-class at R783 000 per annum (Khan, 2015).

2.9 PROPERTY MARKET IN SA

2.9.1 The South African Population

South Africa is an extremely diverse country and consists of various cultures, languages, and religious beliefs. StatsSA, (2014) define South Africa as having a population of 51770 560 people living in 14 450 161 households. The population is made up of 51,3% females and 48,7% males. Since 2002 South Africa has experienced a positive year on year population growth (StatsSA, 2011).

The total population of the country consists of just over 40 million Africans, making up 79.2% of the total population. 4 615 401 or 8.9% of the population are Coloured people, while there are 4 586 838 or 8.9% Whites. The Indian/Asian population stands at 1 286 930 amounting to 2.5% of the total South African population. In 2011, "other" was included in the Census, and accounts for 280 454 or 0.5% of the population (StatsSA, 2011).

As this study’s focus is especially on Potchefstroom, it is important to give information of the main related features of Potchefstroom and the North West Province. Statistics South Africa list the North West Province as one of the nine provinces within South Africa as well as the fifth largest province, occupying 9.5 per cent (116 320 square kilometres) of South African soil. North West’s population increased slightly by 238,482 people between 2011 and 2016, from around 3,5 million in 2011 to 3,7 million in 2016, making it South Africa’s third smallest province in South Africa regarding population size. The number of households in the province has increased from 1,1 million in 2011 to 1,2 million in 2016 (StatsSA, 2016).

The province consists of four district municipalities and 21 local municipalities. The North West province is demarcated into four district councils, which are the Bophirima District Municipality, Dr. Kenneth Kaunda (Southern) District Municipality, Ngaka Modiri Molema (Central) District Municipality and Bojanala District Municipality. The majority or about 1,7 million people can be found in the Bojanala District Municipality, followed by the Ngaka Modiri Molema District Municipality with
a population of 889,108, the Dr Kenneth Kaunda District Municipality with 742,821 people and finally the smallest district municipality, Dr Ruth Segomotsi Mompati District Municipality with a population of 459,358 (StatsSA, 2011).

The province's economy relies 86% mainly on mining, agriculture, and manufacturing. According to StatsSA (2011), the population of the province accounts for about 8 per cent of the total South African population and is dominated by the African population group constituting 91 per cent of the total population (StatsSA, 2011). The North West province is marred by high poverty rates, inequalities in the distribution of income between various population subgroups, and unemployment. Unemployment in the North West is at 40 % with poverty exceeding 50 % (StatsSA, 2008).

Potchefstroom is situated within the North West Province and falls within the boundaries of the Tlokwe Local Municipality. The Tlokwe Local Municipality is the 64th largest local municipality in South Africa and falls within Dr. Kenneth Kaunda District Municipality, and the seat of the local municipality is in Potchefstroom.

According to StatsSA (2011), the greater Tlokwe Local Municipality has a total population of 162,762 people, of whom 71,3% are African, 20,6% White and the remaining 8,1% is made up of other population groups. There are 52 537 households in the municipality, and the average household size is 2,9. 36,9% of these households are headed by females. Of those aged 20 years and older, 4,5% have completed primary school, 31,5% have some secondary education, 30,3% have completed secondary school, and 14,2% have some form of higher education, while 6,9% of those aged 20 years and older have no form of schooling (StatsSA, 2011).

According to StatsSA (2011), Potchefstroom has 43,448 residents consisting of 17,372 households. The average household size is 2,3 people per household. 37,1 % of these households are female headed. 48,1% of the population is male and 51,9% female. Census 2011.In contrast with the Tlokwe Local Municipality, 69,9% of the population of Potchefstroom is White, followed by 25,4% African and the remaining 4,1% consisting of other racial groups. 71,4% of the people in Potchefstroom speak Afrikaans followed by 7,6% speaking English. If one look at the education level of the residents 15,7% have some secondary education, 42,3% have completed secondary education and 35,8% of the people have a tertiary education (StatsSA, 2011).

2.9.2 Housing conditions in South Africa

The characteristics of dwellings and their access to various services and facilities reflect an important indication of the well-being of the household members within the household. The housing can satisfy the basic human need for security and comfort. Since democracy, living conditions in South Africa have
changed radically. According to a report released by the Institute of Race Relations, access to housing, electricity, clean water, and sanitation services, living conditions all showed vast improvement during the last two decades (StatsSA, 2016).

In 1996 the number of households in South Africa living in formal dwellings amounted to 5.8 million. This amount increased to 12.4 million in 2014. This is an increase of 114%. Over the same period, the proportion of households living in formal dwellings increased from 64% to 79%. During the same period, the proportion of households living in informal dwellings decreased by 3% to 13% (StatsSA, 2016).

The availability of and access to electricity in households during this period also increased by 171% from 5.2 million in 1996 to 14.1 million in 2014. During this period, the proportion of households using electricity for lighting rose by 33% to 91% (StatsSA, 2016).

From 1996 to 2014, 6.8 million households gained access to piped water. This brings the total number of households who have access to piped water in South Africa to 14 million. This is an increase of 94%. The number of households with access to flush or chemical lavatories increased from 4.6 million to 9.9 million, or by 118% (StatsSA, 2016).

2.9.3 Housing conditions in North West and Potchefstroom

About 78.3% of North West households reside in formal structures and about 18.4% in informal dwellings. The province has the country’s third-lowest proportion of households living in traditional housing at 1.9%. About a fifth of the households in North West has benefited from a government-subsidised dwelling, with 21% of households in the province reporting that they reside in a government-funded dwelling. The majority or 56.8% of dwellings in the North West Province are owned and fully paid off. 18.1% of the properties are rented by tenants, and approximately 9.9% stay rent-free in houses they do not own. The North West Province has the country’s second lowest proportion of households whose main dwellings are still mortgaged, with only 7.8% of households in the province still paying mortgages. 86.1% of North West households have access to piped water, 89% have access to electricity, and the number of households with access to flush/chemical toilet increased from 491 128 in 2011 to 607 980 in 2016 (StatsSA, 2016).

More than 98% of Potchefstroom households reside in formal structures. Some 99.2% of these households are situated in the urban area and 0.8% on farms within the Potchefstroom boundaries. The majority of these properties are privately owned. 90.5% of Potchefstroom households have access to piped water, 96.4% have access to electricity, and 90.3% of households have access to flush/chemical
toilets. The majority or 87% of the households have also had access to weekly refuse removal (StatsSA, 2016).

2.10 CHAPTER SUMMARY
Chapter 2 gave an overview of the relevant literature about this study. Chapter 3 will discuss the research methodology used to obtain the data for this study as well as the different techniques used to analyse the data. The chapter also discusses the research method and sampling of the research.
CHAPTER 3
METHODOLOGY

3.1 INTRODUCTION
This chapter will give an outline of the methodology used for this study. It explains what the rationale for the research approach was and how it was applied in this study. Attention will specifically be paid to the research approach and design, the sampling method, and population used, data gathering methods, data analysis and ethical considerations.

3.2 RESEARCH PARADIGM AND APPROACH
The Research paradigm gives an indication of one's approach to research. The research paradigm can be seen as the blueprint on how one intends to conduct the research (Cresswell, 2003; Mouton, 2001). The Research approach and methodology refer to the strategy, structure, plan, methods, techniques and procedures that are used in the research process (Babbie & Mouton, 2009). De Vos et al. (2003) add to the above mentioned by stating that the research design enables the researcher to get answers to the problem stated or questions asked. The two main research approaches are either a quantitative approach to the research or a qualitative approach to the research (De Vos, 2005; Leedy, 2001). A quantitative research approach was chosen for this study as the aim is to analyse housing preferences. A quantitative paradigm will help to give a clear indication of which preferences are prominent, and it will also be able to give an indication of the housing values, preferences and other variables such as age group, marital status, for example of the participants. Henning et al. (2004), states that quantitative research focuses on reporting of social reality in a principally numerical way. Quantitative methods involve collecting and analysing numerical data from tests, questionnaires, checklists, and surveys (Gay & Airasian, 2003).

3.3 RESEARCH DESIGN
A non-experimental research design namely the correlational design will be used in this research. (Welman et al., 2012:94). The fact that there is a great degree of regularity and orderliness in the variables that was studied, a non-experimental research design will be the most effective research design to utilize. (Welman et al., 2012:94). As this study is aiming at identifying and analysing the housing values and preferences of middle-income consumers and subsequently to correlate these variables with the biographical particulars such as age, income, and education a non-experimental, correlational research design is being used. Data were gathered for this study by way of a
structured self-administered questionnaire which was statistically analysed for frequencies and correlations.

3.4 PARTICIPANTS
Combined non-probability sampling methods of accidental and snowball sampling to recruit respondents, was used. Two Estate agents and two Bond originators in Potchefstroom were asked to distribute the questionnaires amongst their clientele. They were specifically asked to try and identify particular clients that would fit within the middle-income buyer’s group. From there on snowball sampling was used where the customers who were identified were asked to identify friends and family members who also fit the profile and who could help to complete the questionnaires.

A total of 120 structured questionnaires were distributed to middle-class respondents in Potchefstroom. The cover letter attached to the questionnaire explained the aim of the study and also the ethical principles such as confidentiality and anonymity. The questionnaires were distributed by hand and by electronic mail. Out of the total of questionnaires distributed, 107 sets were returned which represent a response rate of 89%. All 107 returned sets of the questionnaires were valid, which represent a rate of 100% validity. The distribution of the questionnaires not only focused on middle-income buyers but also tried to obtain diverse respondents with regards to the age, population representation, marital status, and educational levels. The complete profile of the respondents will be discussed in Chapter 4: Results and discussion.

3.5 MEASURING INSTRUMENT
A structured self-administered questionnaire was used for gathering data (Shi, 2005). The questionnaire is divided into three sections. Section 1 aims at gathering information relating to household characteristics. Attention was given to information regarding specific population group, the age of the respondents, education level, marital status, employment status, household size, stage of life, housing values and household income.

Section 2 aims at gaining evidence considering housing preferences are paying attention to the identified stated and revealed preferences as well as the extrinsic and intrinsic housing attributes (Shi, 2005) and (Opoku & Abdul-Muhmin, 2010).

Information relating to the housing values and attributes about the preferences of the respondent is gathered by first formulating two possible housing options, for example:” Do you want a house
with a) Good resale value or b) that meets all your personal needs? This will be supported by a list of preferences such as appearance of house, security, swimming pool, for example where the participant must indicate on a scale from 1 – 4 (where 1 is very important, and 4 is not important at all) to what extent they consider these housing aspects as important in their choice of housing.

Section 3 aims at gaining additional attribute information paying attention to the neighbourhood and locational factors such as quality of schools in the neighbourhood, neighbourhood safety, pollution and commuting time. The above-mentioned questionnaire was proved to be reliable and valid in the study of Shi (2005).

The questionnaire was accompanied by a covering letter stating the aim of the research, asking the respondent for their active participation in the research process and emphasising the ethical principles of confidentiality, do no harm and anonymity. The questionnaire was easy to administer, and it took the respondents about 5 minutes to complete the questionnaire in full.

3.6 RESEARCH PROCEDURE
This research was conducted in three phases.
   Phase 1: Planning and approval;
   Phase 2: Field work and gathering of data; and
   Phase 3: Integration and summary of results.

In phase one attention was given to the compilation of the research proposal, acquiring approval by the ethics committee. Another significant aspect of this phase was the literature search and the integration of different research findings and arguments into a literature review. Ms. Christine Bronkhorst of the Library services of the Potchefstroom campus of the Northwest University assisted with the literature search. Databases such as EBSCOHOST and Google Scholar were used for this purpose.

In phase 2 data was collected, and the questionnaires were distributed. A pilot study was done by asking the two bond originators as well as two estate agents to complete the questionnaire and to give honest feedback on their experience with the questions asked as well as the possible value of the study and its findings. After incorporating the suggestions made in the pilot study the two estate agents and two bond originators were approached and asked to assist in distributing the questionnaires. They were requested to invite their customers to complete the questionnaires and to send some questionnaires to other friends and family members they knew and who would be
willing to assist in the research. The questionnaires were distributed by hand as well as electronically by electronic mail. Approximately 120 questionnaires were distributed, and 107 completed questionnaires were received. The questionnaires were numbered, and the data was read into an Excel template. Dr. Suria Ellis of Statistical consultation services assisted in the extraction of data and findings, focusing on descriptive statistics, frequency tables, factor analysis as well as correlations.

The third and final phase of the research process was to draw tables and figures to illustrate the findings of the study and to integrate the findings of this study with findings of similar previous studies. Recommendations are made accordingly.

3.7 STATISTICAL ANALYSIS

Statistical Consultation services of the Potchefstroom Campus of the North-West University was consulted to analyse the data gathered with the questionnaires. Dr. Suria Ellis was the consultant that assisted with processing the given dataset.

The aim of the analyses of the data was to get an indication of the patterns and prominence of the various measured variables as well as testing the outlined hypotheses namely:

- **H0**: Intrinsic attributes, Extrinsic attributes as well as neighbourhood and other locational factors, do not play an influential role in the housing decisions of middle-class consumers in Potchefstroom.
- **H1**: Intrinsic attributes (such as cost and size) play an influential role in the housing decisions of middle-class consumer in Potchefstroom.
- **H2**: Extrinsic attributes (such as exterior design) and exterior space play an influential role in the housing decisions of middle-class consumers in Potchefstroom.
- **H3**: Neighbourhood and other locational factors (such as quality of the neighbourhood, location with regards to amenities) play an influential role in the housing decisions of middle-class consumers in Potchefstroom.

Frequency tables were used to gain a description of the biographical profile of the respondents (Questions 1 – 6 and 9). The Cronbach Alpha for the data, in general, was determined at 0.806 which was an indication of the reliability of the questionnaire. Question 7 aimed at getting an indication of which value/attribute had the biggest influence on the respondent’s choice of housing preferences. The question positioned different values/attributes against each other, and the respondents had to indicate
which one weighed heavier than the other one. Frequency tables were used to obtain an indication of the most prominent value.

A factor analysis was used to get an indication of the identified housing preferences of the middle-income buyer in Potchefstroom (Question 8). A scree plot was used to get an indication of how many factors could be identified from the 26 variables/preferences given. The scree plot is illustrated in figure 2. After the data had been analysed, the list of 26 housing attributes or housing features were grouped into four groups. These groups were named “quality interior”, distance, exterior and luxury. These groups were identified based on the pattern matrix. The pattern matrix is illustrated in Figure 3.

Table 3.1 reveals the results of the Kaiser-Meyer-Olkin Measure of Sampling Adequacy. The measure was 0.756. The Cronbach Alpha was calculated as 0.806 and illustrated in Table 3.2. Factor analysis and reliability were used to test the validity and reliability of measures. The factor analysis is a test of how well an instrument measures the concept whereas reliability is a test of how consistently a measuring instrument measures the concept (Cresswell, 2003; Welman et al., 2012).

Figure 3.1 Scree plot of 26 individual housing attributes
Table 3.1 Pattern Matrix of 26 individual housing attributes

<table>
<thead>
<tr>
<th>Component</th>
<th>1: Quality of Interior</th>
<th>2: Distance</th>
<th>3: Exterior</th>
<th>4: Luxury</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vr 8.6: Quality of Cupboards</td>
<td>.734</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.5: Quality of Kitchen</td>
<td>.705</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.2: Number of bedrooms</td>
<td>.702</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.3: Number of bathrooms</td>
<td>.681</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.17: Garage size and parking</td>
<td>.621</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.16: Overall size</td>
<td>.478</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.4: Number of living rooms</td>
<td>.314</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.19: Distance from shopping</td>
<td></td>
<td>.804</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.22: Distance from church</td>
<td></td>
<td>.799</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.21: Distance from work</td>
<td></td>
<td>.767</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.20: Distance from family and friends</td>
<td></td>
<td>.676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.18: Distance from school</td>
<td></td>
<td>.576</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vr 8.23: Nice view</td>
<td></td>
<td></td>
<td>.735</td>
<td></td>
</tr>
<tr>
<td>Vr 8.1: Appearance of house</td>
<td></td>
<td></td>
<td>.666</td>
<td></td>
</tr>
<tr>
<td>Vr 8.26: Racial composition of neighbourhood</td>
<td></td>
<td></td>
<td>.653</td>
<td></td>
</tr>
<tr>
<td>Vr 8.24: Size of plot</td>
<td></td>
<td></td>
<td>.618</td>
<td></td>
</tr>
<tr>
<td>Vr 8.8: Outside room</td>
<td></td>
<td></td>
<td>.532</td>
<td></td>
</tr>
<tr>
<td>Vr 8.9: Established Garden</td>
<td></td>
<td></td>
<td>.311</td>
<td></td>
</tr>
<tr>
<td>Vr 8.25: Neighbourhood status</td>
<td></td>
<td></td>
<td>.480</td>
<td></td>
</tr>
<tr>
<td>Vr 8.11: Air conditioning</td>
<td></td>
<td></td>
<td></td>
<td>-.776</td>
</tr>
<tr>
<td>Vr 8.13: Fire Place</td>
<td></td>
<td></td>
<td></td>
<td>-.676</td>
</tr>
<tr>
<td>Vr 8.14: Braai area</td>
<td></td>
<td></td>
<td></td>
<td>-.605</td>
</tr>
<tr>
<td>Vr 8.10: Swimming pool</td>
<td></td>
<td></td>
<td></td>
<td>-.603</td>
</tr>
<tr>
<td>Vr 8.7: Study</td>
<td></td>
<td></td>
<td></td>
<td>-.507</td>
</tr>
<tr>
<td>Vr 8.15: Handicapped accessibility</td>
<td></td>
<td></td>
<td></td>
<td>-.494</td>
</tr>
<tr>
<td>Vr 8.12: Security system</td>
<td></td>
<td></td>
<td></td>
<td>-.419</td>
</tr>
</tbody>
</table>

Mean: 1.94 2.52 2.22 2.580
Standard deviation: 0.5 0.6 0.5 .600

Table 3.2 Illustration of the preference of the four identified clusters of housing attributes

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of interior</td>
<td>107</td>
<td>1.00</td>
<td>3.71</td>
<td>1.9439</td>
<td>.49672</td>
</tr>
<tr>
<td>Distance</td>
<td>107</td>
<td>1.00</td>
<td>4.00</td>
<td>2.5196</td>
<td>.60242</td>
</tr>
<tr>
<td>Exterior</td>
<td>107</td>
<td>1.00</td>
<td>4.00</td>
<td>2.2167</td>
<td>.50205</td>
</tr>
<tr>
<td>Luxury</td>
<td>107</td>
<td>1.00</td>
<td>4.00</td>
<td>2.5808</td>
<td>.60043</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>107</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3.3 Kaiser-Meyer-Olkin and Bartlette’s test

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>.756</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett’s Test of Approx. Chi-Square df Sig.</td>
<td>1214.576</td>
</tr>
</tbody>
</table>

### Table 3.4 Cronbach’s alpha coefficient

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.806</td>
<td>.809</td>
<td>7</td>
</tr>
</tbody>
</table>

### 3.8 ETHICAL CONSIDERATIONS

This Research project was approved by the Research Meeting of the Faculty, and the project was assigned the project number EMS15/02/26-2/06. During the research the researcher paid special attention to ethics and especially the following principles and ethical considerations:

- **Competence**: It is attempted to do a thorough study and report of the chosen subject not to damage the reputation of the research organisation.
- **Literature review**: A through literature review is done to ensure that this study is not duplicating previous published studies with the same title.
- **Plagiarism**: Effort was made to adhere to strict plagiarism compliance guidelines of the institution and thus give acknowledgment to due parties.
- **Falsification of results**: No results are changed or fabricated after they are evaluated and analysed.

Specific relevant ethical aspects to take note of:

- Privacy of respondents was respected.
- Confidentiality of respondents was treated with the utmost importance.
- Honesty is being practiced in reporting of results.
- No harm was done to any of the research participants.
- All subjects participated out of their free will based on informed consent.
3.9 CHAPTER SUMMARY

The quantitative approach and non-experimental research design were chosen because the study is aiming at identifying and analysing the housing preferences among middle-income buyers in Potchefstroom. The meticulous outline of the research procedure and approach towards the statistics is of the essence to ensure the validity as well as the reliability of the study. The next chapter is devoted to discussing the results and drawing conclusions.
CHAPTER 4

RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter provides a step by step analysis of the data obtained through the research, including descriptive statistics of the demographic characteristics of the respondents. In the previous chapter, the research methodology was explained as well as the method of data collection and the analysis procedures, including the theoretical framework, the survey design and sampling choice.

4.2 DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

This section represents the demographic characteristics of the respondents. The researcher utilised frequencies and percentages to identify the data characteristics of the respondents. The profiles covered nine different categories, namely: (1) gender (2) ethnic group (3) age (4) marital status (5) education level (6) employment status (7) occupation (8) income per year (9) composition of household

4.2.1 Gender of the respondents

The respondents who participated in the research consisted of 53.3% females and 46.7% males. This figure is almost evenly split between the different genders. This sample gives an accurate indication of the actual male to female ratio in South Africa and Potchefstroom. Consistent to StatsSA (2011), 51.3% of the South African population consists of females, and in Potchefstroom, this percentage is even higher at 51.9% of the residents.

Table 4.1: Gender of the respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>50</td>
<td>46.7%</td>
</tr>
<tr>
<td>Female</td>
<td>57</td>
<td>53.3%</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.2.2 Ethnic group of respondents

South Africa is a country with various ethnic backgrounds. 67.3% of the respondents taking part in the study was White and 25.2% African. This was followed by 5.6% of the respondents being Indian, and the remaining 1.9% was Coloured people. The respondents taking part in the research are also representative of the ethnic composition of Potchefstroom. As stated by StatsSA (2011) 69.9% of the
population of Potchefstroom is White, followed by 25,4% being African and the remaining 4,1% consisting of other ethnic groups.

Table 4.2: What ethnic group do the respondents belong to?

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>72</td>
<td>67,3%</td>
</tr>
<tr>
<td>African</td>
<td>27</td>
<td>25,2%</td>
</tr>
<tr>
<td>Coloured</td>
<td>2</td>
<td>1,9%</td>
</tr>
<tr>
<td>Indian</td>
<td>6</td>
<td>5,6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.3 Age of the respondents

The composition of the different age categories of the respondents that took part in the research was very evenly spread between the different age groups. The most respondents or 28,97% of them were aged between 30 and 39 years, followed by 24,30% of respondents being either between 20 and 29 years or between 40 to 49 years of age. The remaining 22,43% of the respondent were above the age of 50 years.
Table 4.3: Age distribution of respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 to 29 years</td>
<td>26</td>
<td>24,30%</td>
</tr>
<tr>
<td>30 to 39 years</td>
<td>31</td>
<td>28,97%</td>
</tr>
<tr>
<td>40 to 49 years</td>
<td>26</td>
<td>24,30%</td>
</tr>
<tr>
<td>50 or older</td>
<td>24</td>
<td>22,43%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.4 Marital status of respondents

The distribution of respondents by marital status is shown in Table 4.4. 59,8% of the respondents taking part in the research were married. This was followed by 16,8% of the respondents having never been married. 2,8% were widowed, 7,5% divorced and 1,9% separated. 11,2 % of the respondents were not married but living together.

Table 4.4: Marital status of respondents

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>64</td>
<td>59,8%</td>
</tr>
<tr>
<td>Widowed</td>
<td>3</td>
<td>2,8%</td>
</tr>
<tr>
<td>Divorced</td>
<td>8</td>
<td>7,5%</td>
</tr>
<tr>
<td>Separated</td>
<td>2</td>
<td>1,9%</td>
</tr>
<tr>
<td>Never married</td>
<td>18</td>
<td>16,8%</td>
</tr>
<tr>
<td>Living together</td>
<td>12</td>
<td>11,2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Chart 4.2: Marital status of respondents
4.2.5 Educational level of the respondents

A total of 79 of the 107 respondents taking part in the research had either a degree, a diploma and or a post graduate qualification. Most of the respondents, or 40,2% either hold a diploma or a bachelor’s degree. 33,6% have post graduate education, and 24,3% have completed high school. Only 1,9% of the respondents indicated that they graduated from primary school education. The percentage of respondents with graduate and post graduate qualifications is very high. This can be as a result of the research being done in Potchefstroom, a university town.

Table 4.5: Education levels of respondents

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary School</td>
<td>2</td>
<td>1,9%</td>
</tr>
<tr>
<td>High School</td>
<td>26</td>
<td>24,3%</td>
</tr>
<tr>
<td>Degree/ Diploma</td>
<td>43</td>
<td>40,2%</td>
</tr>
<tr>
<td>Post graduate education</td>
<td>36</td>
<td>33,6%</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>100%</td>
</tr>
</tbody>
</table>

Chart 4.3: Education levels of respondents

4.2.6 Employment status of respondents

90,7% or 97 of the respondents taking part in the research was in full-time employment and only 9,3% indicated that they were unemployed at the time of the research.
Table 4.6: Employment status of respondents

<table>
<thead>
<tr>
<th>Employment</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently employed</td>
<td>97</td>
<td>90,7%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>10</td>
<td>9,3%</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.2.7 Occupation of respondents

The respondents taking part in the research is employed in a variety of different environments. These include government, state-owned enterprises, semi-state owned, private businesses, the public service and owners of own businesses.

Table 4.7 give a breakdown of the occupation of the different respondents taking part in the research. The majority or 29,91% of the participants are professionals, followed by 18,69% being employed as technicians and associate professionals. 12,15% of the respondents are clerks, and 6,54% are employed as legislators, senior officials or managers. The category “other” includes retired, and unemployed people, and this segment consist of 12,15% of the total.

Table 4.7: Occupation of respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators, senior officials, and managers</td>
<td>7</td>
<td>6,54%</td>
</tr>
<tr>
<td>Professionals</td>
<td>32</td>
<td>29,91%</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>20</td>
<td>18,69%</td>
</tr>
<tr>
<td>Clerks</td>
<td>13</td>
<td>12,15%</td>
</tr>
<tr>
<td>Service workers, shop &amp; market sales workers</td>
<td>6</td>
<td>5,61%</td>
</tr>
<tr>
<td>Skilled agricultural and fishery workers</td>
<td>1</td>
<td>0,93%</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>12,15%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>15</td>
<td>14,02%</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>100%</td>
</tr>
</tbody>
</table>
According to the latest Bankserv Africa Disposable Salary Index (BDSI), the average monthly take-home salary for December 2015 was R13 733 (Skade, 2016). Visagie (2013) describes the South African middle-class as a household consisting of four persons with a combined monthly income of R5,600 to R40,000 per month after direct income tax.

Table 4.8 reflects the breakdown of the combined household income of the respondents. The majority of the respondents or 21.5% indicated that the total monthly household income ranged between R20,000 and R29,999. This was followed by 18.69% of the respondents earning between R10,000 and R19,999 per month. 16.82% of the respondents did not want to disclose the combined monthly household income. The data reflected that the respondents taking part in the research fall within the definition of middle-class consumer.

### Table 4.8: Household income per month of the respondents

<table>
<thead>
<tr>
<th>Household income per month</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than R9,999</td>
<td>17</td>
<td>15.89%</td>
</tr>
<tr>
<td>Between R10,000 and R19,999</td>
<td>20</td>
<td>18.69%</td>
</tr>
<tr>
<td>Between R20,000 and R29,999</td>
<td>23</td>
<td>21.50%</td>
</tr>
<tr>
<td>Between R30,000 and R39,999</td>
<td>15</td>
<td>14.02%</td>
</tr>
<tr>
<td>Between R40,000 and R49,999</td>
<td>14</td>
<td>13.08%</td>
</tr>
<tr>
<td>Refused to answer</td>
<td>18</td>
<td>16.82%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
4.2.9 Composition of the households of the respondents

As shown in Table 4.9, the majority of the respondents that took part in the research came from four different household groupings. The combined total of these four groups amounted to 74.77% of the respondents. According to StatsSA (2011), the average household size for Potchefstroom is 2.3 people per household. 32.71% of the respondents that took part in the research belonged to a household which consists of two parents with two or more children. 15.89% of the respondents were single people, 14.02% were couples without children, and 12.15% of the households were parents with a single child in the house.

Table 4.9: Composition of households of the respondents

<table>
<thead>
<tr>
<th>Number of children</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person</td>
<td>17</td>
<td>15.89%</td>
</tr>
<tr>
<td>Couples without children</td>
<td>15</td>
<td>14.02%</td>
</tr>
<tr>
<td>Parents with 1 child</td>
<td>13</td>
<td>12.15</td>
</tr>
<tr>
<td>Parents with 2 or more children</td>
<td>35</td>
<td>32.71%</td>
</tr>
<tr>
<td>Single parent with 1 child</td>
<td>4</td>
<td>3.74%</td>
</tr>
<tr>
<td>Single parent with 2 or more children</td>
<td>3</td>
<td>2.83%</td>
</tr>
<tr>
<td>Friends</td>
<td>4</td>
<td>3.74%</td>
</tr>
<tr>
<td>Multi</td>
<td>6</td>
<td>5.61%</td>
</tr>
<tr>
<td>Three generations</td>
<td>5</td>
<td>4.67%</td>
</tr>
<tr>
<td>Siblings</td>
<td>5</td>
<td>4.67%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
4.3 HOUSING VALUES OF RESPONDENTS

Housing values are the underlying criteria for all choices in housing and can be seen as the drivers of what one considers to be valuable, desirable and what one ought to be. Housing preferences are influenced by the individual’s inherent housing values (Shi, 2005).

Question 7 in the questionnaire aimed at acquiring an indication of the respondent’s most prominent housing value. The questions were structured in a way where the respondents had to choose between an Option A or Option B. Each option represented a specific housing value. The housing values used was personal, economic, family and social values (Beyer et al., 1955). It was found that a family normally has more than one value that plays a role in their housing decision-making process. These values interact in a hierarchical manner where one is more prominent than the other (Shi, 2005).
Table 4.10: The housing values of the Potchefstroom respondents

<table>
<thead>
<tr>
<th>Value/ Values</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>8</td>
<td>7.5%</td>
</tr>
<tr>
<td>Family</td>
<td>28</td>
<td>26.2%</td>
</tr>
<tr>
<td>Personal</td>
<td>4</td>
<td>3.7%</td>
</tr>
<tr>
<td>Social</td>
<td>2</td>
<td>1.9%</td>
</tr>
<tr>
<td>Economic - Family</td>
<td>31</td>
<td>29%</td>
</tr>
<tr>
<td>Economic - Personal</td>
<td>7</td>
<td>6.5%</td>
</tr>
<tr>
<td>Family - Personal</td>
<td>10</td>
<td>9.3%</td>
</tr>
<tr>
<td>Family - Social</td>
<td>8</td>
<td>7.5%</td>
</tr>
<tr>
<td>Personal Social</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Multiple</td>
<td>8</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Chart 4.7: Illustration of the housing values of the respondents

From the data, it is clear that the values that are most prominent in the middle-class consumer in Potchefstroom seems to be: a combination of Economic and Family values (29%), Family (26.2%), Family-Personal (9.3%), Family-Social (7.5%), Economic (7.5%) and Multiple (7.5%).
Interesting to see is that family as a value is prominent in the first four identified housing values. This could be indicative of Potchefstroom being a suburban-like city where family values and norms are still important. The implication hereof is that the majority of middle-class consumers in Potchefstroom will take family values into consideration when deciding on which housing attributes they would prefer.

4.4 HOUSING PREFERENCES

The questionnaire required the respondents to indicate how they perceived the importance of 26 chosen housing features. Respondents had to rate the preferences as very important, important, unimportant and very unimportant.

Chau et al. (2005:10) maintain that results derived from scale ratings can give an indication of the importance thereof. The respondents were given four different options for each feature. Respondents had to indicate whether they perceived the feature as very important, important, unimportant or very unimportant. The mean of each feature was calculated by way of scale rating. One point was allocated if the respondent chose very important, two points are given for important, three points for unimportant and four points for very unimportant. The total points of each feature were then divided by the sample size of 107 to get the individual means of the different housing features.

The implication thereof was that the features with the smallest mean are the most important feature or most preferred housing feature by the different respondents. The mean scores of the different housing features being as perceived by the respondents are illustrated in Table 4.10. The smaller the mean value, the more important the housing features.
4.1.1 General Housing Preferences

The mean housing preference ratings are shown in Table 4.11 (note that a mean score is striving towards one designates importance while a score of five designates a less important preference). The table is sorted in declining order of preference importance.

Table 4.11: Mean preference rating of 26 individual housing attributes in order of importance

<table>
<thead>
<tr>
<th>Housing feature</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of kitchen</td>
<td>1.63</td>
<td>.680</td>
</tr>
<tr>
<td>Appearance of house</td>
<td>1.74</td>
<td>.588</td>
</tr>
<tr>
<td>Number of bathrooms</td>
<td>1.81</td>
<td>.675</td>
</tr>
<tr>
<td>Security system</td>
<td>1.83</td>
<td>.895</td>
</tr>
<tr>
<td>Quality of build in cupboards</td>
<td>1.84</td>
<td>.814</td>
</tr>
<tr>
<td>Number of bedrooms</td>
<td>1.87</td>
<td>.814</td>
</tr>
<tr>
<td>Size of garage and parking space</td>
<td>2.08</td>
<td>.728</td>
</tr>
<tr>
<td>Neighbourhood status</td>
<td>2.11</td>
<td>.809</td>
</tr>
<tr>
<td>Overall size of the house</td>
<td>2.14</td>
<td>.720</td>
</tr>
<tr>
<td>Number of living rooms</td>
<td>2.23</td>
<td>.667</td>
</tr>
<tr>
<td>Nice view</td>
<td>2.27</td>
<td>.808</td>
</tr>
<tr>
<td>Size of plot</td>
<td>2.27</td>
<td>.796</td>
</tr>
<tr>
<td>Distance from work</td>
<td>2.30</td>
<td>.871</td>
</tr>
<tr>
<td>Study</td>
<td>2.30</td>
<td>.792</td>
</tr>
<tr>
<td>Established garden</td>
<td>2.33</td>
<td>.844</td>
</tr>
<tr>
<td>Racial composition of neighbourhood</td>
<td>2.36</td>
<td>.925</td>
</tr>
<tr>
<td>Distance from school</td>
<td>2.41</td>
<td>.824</td>
</tr>
<tr>
<td>Outside room</td>
<td>2.43</td>
<td>.881</td>
</tr>
<tr>
<td>Covered barbecue area</td>
<td>2.53</td>
<td>.883</td>
</tr>
<tr>
<td>Distance from churches</td>
<td>2.57</td>
<td>.790</td>
</tr>
<tr>
<td>Distance from family and friend</td>
<td>2.64</td>
<td>.792</td>
</tr>
<tr>
<td>Distance from shopping</td>
<td>2.67</td>
<td>.822</td>
</tr>
<tr>
<td>Fireplace</td>
<td>2.71</td>
<td>.901</td>
</tr>
<tr>
<td>Air conditioning</td>
<td>2.74</td>
<td>.925</td>
</tr>
<tr>
<td>Swimming pool</td>
<td>2.93</td>
<td>.908</td>
</tr>
<tr>
<td>Handicap accessibility</td>
<td>3.03</td>
<td>.746</td>
</tr>
</tbody>
</table>
The results indicate that respondents believe that the quality of the kitchen is the most important feature when deciding on a choice of a new home. The mean score for quality of kitchen was 1.63 and the standard deviation .680. The respondents ranked the appearance of the house and the number of bathrooms as the second and third most important features respectively.

Understandably, the presence of a security system is ranked in the top-5 preference in South Africa’s high crime rate environment. The quality of built-in cupboards is the fifth most important housing features. The housing feature that respondents valued the least was the handicap accessibility of the house. The mean score was 3.03 and the standard deviation .746. This was followed by swimming pool, air conditioning, a fireplace and the fifth least important feature was the distance from shopping.

In the following sections, the relationship between housing preferences and households’ socio-demographic and socio-economic profiles are presented. It is interesting to see the correlation between the different preferences and the socio-demographic and socio-economic profiles of the respondents. These correlations can be outlined as follow:

4.4.2. Housing Preferences according to ethnical background

Regarding demographical differences, it is noteworthy that ethnicity plays a role in housing preferences; this is indicated in the table below.

Table 4.12: Breakdown of the five most important individual housing features according to ethnical background

<table>
<thead>
<tr>
<th>White respondents</th>
<th>Black Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of kitchen (1.58)</td>
<td>1. Appearance of house (1.70)</td>
</tr>
<tr>
<td>Number of bathrooms (1.68)</td>
<td>2. Quality of kitchen (1.78)</td>
</tr>
<tr>
<td>Number of bedrooms (1.71)</td>
<td>3. Security system (2.07)</td>
</tr>
<tr>
<td>Quality of build in cupboards (1.72)</td>
<td>4. Distance from school (2.11)</td>
</tr>
<tr>
<td>Security system (1.75)</td>
<td>5. Number of living rooms (2.19)</td>
</tr>
<tr>
<td></td>
<td>5. Size of plot (2.19)</td>
</tr>
</tbody>
</table>
The White respondents taking part in the research indicated that the quality of the kitchen was their most important preferred feature with a mean of 1.58. This was followed by the number of bathrooms, the number of bedrooms, quality of built in cupboards and the feature that they valued the fifth most was having a security system.

The African participants chose the appearance of the house as the most valuable feature with a mean of 1.70. This was followed by the quality of the kitchen, security system, distance from schools and jointly in fifth place, the number of living rooms and the size of the plot.

It is interesting to note that white respondents ranked the distance from school as the 21st most important feature in contrast with the African respondents indicating that it was the fourth most important feature.

4.4.3 Housing Preferences according to age groups:

Table 4.13: Breakdown of the five most important individual housing features according to age groups

<table>
<thead>
<tr>
<th></th>
<th>20 – 29 Years</th>
<th>30 – 39 Years</th>
<th>40 – 49 Years</th>
<th>50+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>Appearance of house (1.65)</td>
<td>Number of bedrooms (1.68)</td>
<td>Number of bedrooms (1.50)</td>
<td>Quality of Kitchen (1.54)</td>
</tr>
<tr>
<td><strong>2.</strong></td>
<td>Quality of Kitchen (1.65)</td>
<td>Number of bathrooms (1.71)</td>
<td>Quality of Kitchen (1.58)</td>
<td>Security system (1.63)</td>
</tr>
<tr>
<td><strong>3.</strong></td>
<td>Quality of built in cupboards (1.77)</td>
<td>Quality of Kitchen (1.71)</td>
<td>Number of bathrooms (1.73)</td>
<td>Number of bathrooms (1.75)</td>
</tr>
<tr>
<td><strong>4.</strong></td>
<td>Security systems (1.81)</td>
<td>Appearance of house (1.77)</td>
<td>Appearance of house (1.73)</td>
<td>Appearance of house (1.79)</td>
</tr>
<tr>
<td><strong>5.</strong></td>
<td>Neighbourhood status (1.88)</td>
<td>Security system (1.87)</td>
<td>Quality of built in cupboards (1.77)</td>
<td>Quality of built in cupboards (1.79)</td>
</tr>
</tbody>
</table>

When one looks at the correlation between the housing preferences and age groups, it is clear that it is mainly the same preferences that feature in each age group, but only in a different order. The age group could be an indication of the life stage/cycle of the respondent and the variation in their preferences accordingly. For the age group 20 – 29 years appearance of the house is the most important housing preference where the age groups 30 – 39 as well as 40 – 49 the number of bedrooms is identified the most important preference. This could be an indication that the respondents in the age groups 30 – 39
and 40 – 49 are most probably in the life stage where they start with a family and bedrooms and other special preferences are considered to be important. The Age group 50 + years put the highest preferences on a quality kitchen and in the second place a security system.

Another point of interest is the importance of the neighbourhood status with the age category 20 to 29. These are the youngest people that it shows that status is important to them.

4.4.4 Housing preferences according to family composition:

Table 4.14: Breakdown of the five most important individual housing features according to family composition

<table>
<thead>
<tr>
<th></th>
<th>Couples without children</th>
<th>Parents with two children</th>
<th>Parents with one child</th>
<th>Single person</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Security system (1.47)</td>
<td>Number of bedrooms (1.51)</td>
<td>Quality of Kitchen (1.46)</td>
<td>Quality of Kitchen (1.53)</td>
</tr>
<tr>
<td>2.</td>
<td>Appearance of the house (1.53)</td>
<td>Quality of Kitchen (1.60)</td>
<td>Number of bedrooms (1.62)</td>
<td>Appearance of house (1.59)</td>
</tr>
<tr>
<td>3.</td>
<td>Quality of built in cupboards (1.53)</td>
<td>Number of bathrooms (1.63)</td>
<td>Number of bathrooms (1.69)</td>
<td>Quality of built in cupboards (1.65)</td>
</tr>
<tr>
<td>4.</td>
<td>Size of garage and parking space (1.53)</td>
<td>Security system (1.69)</td>
<td>Appearance of the house (1.85)</td>
<td>Number of bathrooms (1.76)</td>
</tr>
<tr>
<td>5.</td>
<td>Quality of Kitchen (1.60)</td>
<td>Quality of built-in cupboards (1.74)</td>
<td>Security system (1.85)</td>
<td>Number of bedrooms (1.82)</td>
</tr>
</tbody>
</table>

With the above mentioned in mind, it is interesting to note how the housing preferences correlate with the different family compositions: The results show that the families with the children’s preferences are very similar with emphasis on a number of bedrooms, quality of kitchen and number of bathrooms. The preferences of the couple without children and the single person differ from those with children. The households without children focus on preferences such as Security system, the appearance of the house, quality of built-in cupboards and the size of the garage and parking space.
4.4.5 Housing preferences according to educational level

Table 4.15: Breakdown of the five most important individual housing features according to educational level

<table>
<thead>
<tr>
<th></th>
<th>Primary School</th>
<th>High School</th>
<th>Degree/Diploma</th>
<th>Post-graduate education</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Not enough respondents (N=2)</td>
<td>Quality of Kitchen (1.73)</td>
<td>Quality of Kitchen (1.47)</td>
<td>Security system (1.61)</td>
</tr>
<tr>
<td>2.</td>
<td>Not enough respondents (N=2)</td>
<td>Number of bathrooms (1.88)</td>
<td>Number of bedrooms (1.63)</td>
<td>Appearance of the house (1.72)</td>
</tr>
<tr>
<td>3.</td>
<td>Not enough respondents (N=2)</td>
<td>Appearance of house (1.92)</td>
<td>Quality of built in cupboards (1.63)</td>
<td>Quality of Kitchen (1.75)</td>
</tr>
<tr>
<td>4.</td>
<td>Not enough respondents (N=2)</td>
<td>Security system (2.12)</td>
<td>Appearance of house (1.65)</td>
<td>Quality of Built in cupboards (1.81)</td>
</tr>
<tr>
<td>5.</td>
<td>Not enough respondents (N=2)</td>
<td>Overall size of house (2.12)</td>
<td>Number of bathrooms (1.72)</td>
<td>Number of bathrooms (1.89)</td>
</tr>
</tbody>
</table>

The Quality of the Kitchen is the most prominent preference for the respondents with a High School and Degree/Diploma qualification. The security system is the preference that is most prominent for the respondents with a postgraduate qualification. The three preferences that feature in all three the educational levels are Quality of Kitchen, Number of bathrooms and appearance of the house.
4.4.6 Housing preferences according to occupation

Table 4.16: Breakdown of the five most important individual housing features according to occupation

<table>
<thead>
<tr>
<th></th>
<th>Professionals</th>
<th>Technicians &amp; associate professionals</th>
<th>Clerks</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Quality of Kitchen (1.66)</td>
<td>Appearance of the house (1.50)</td>
<td>Quality of Kitchen (1.54)</td>
<td>Number of bathrooms (1.38)</td>
</tr>
<tr>
<td>2.</td>
<td>Number bedrooms (1.72)</td>
<td>Quality of kitchen (1.75)</td>
<td>Quality of built in cupboards (1.62)</td>
<td>Quality of Kitchen (1.46)</td>
</tr>
<tr>
<td>3.</td>
<td>Appearance of house (1.75)</td>
<td>Security system (1.75)</td>
<td>Appearance of the house (1.77)</td>
<td>Security system (1.54)</td>
</tr>
<tr>
<td>4.</td>
<td>Number of bathrooms (1.78)</td>
<td>Number of bedrooms (1.85)</td>
<td>Number of bathrooms (2.00)</td>
<td>Appearance of the house (1.69)</td>
</tr>
<tr>
<td>5.</td>
<td>Security system (1.78)</td>
<td>Number of bathrooms (1.95)</td>
<td>Distance from work (2.00)</td>
<td>Overall size of the house (1.85)</td>
</tr>
</tbody>
</table>

It is clear from the data that the type of occupation of the respondents does not influence the preference towards a certain housing feature. The attributes that they valued the most were almost the same in the different employment fields.
### 4.4.7 Housing preferences and household income

#### Table 4.17: Housing preferences and household income

<table>
<thead>
<tr>
<th></th>
<th>&lt;R9,999</th>
<th>R10,000 - R19,999</th>
<th>R20,000 - R29,999</th>
<th>R30,000 - R39,999</th>
<th>R40,000 - R49,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Appearance of the house (1.59)</td>
<td>Quality of Kitchen (1.55)</td>
<td>Appearance of the house (1.70)</td>
<td>Quality of Kitchen (1.40)</td>
<td>Security system (1.50)</td>
</tr>
<tr>
<td>2.</td>
<td>Quality of Kitchen (1.59)</td>
<td>Quality of built-in cupboards (1.55)</td>
<td>Number of bedrooms (1.74)</td>
<td>Quality of built-in cupboards (1.53)</td>
<td>Quality of Kitchen (1.57)</td>
</tr>
<tr>
<td>3.</td>
<td>Size of the plot (1.82)</td>
<td>Security system (1.70)</td>
<td>Number of bathrooms (1.74)</td>
<td>Number of bedrooms (1.67)</td>
<td>Number of bathrooms (1.57)</td>
</tr>
<tr>
<td>4.</td>
<td>Neighbourhood status (1.88)</td>
<td>Appearance of the house (1.75)</td>
<td>Quality of Kitchen (1.74)</td>
<td>Number of bathrooms (1.73)</td>
<td>Number of bedrooms (1.64)</td>
</tr>
<tr>
<td>5.</td>
<td>Racial composition of neighbourhood (1.88)</td>
<td>Number of bedrooms (1.85)</td>
<td>Quality of built-in cupboards (1.83)</td>
<td>Appearance of the house (1.73)</td>
<td>Quality of built-in cupboards (1.79)</td>
</tr>
</tbody>
</table>

5. Appearance of the house (1.79)

It can be seen that the Quality of the Kitchen seem to be a prominent preference, no matter what the income level of the respondent is. Interesting is that the Appearance of the house gets less important as the income level of the respondent get higher. Security system, on the other hand, is the preference that became more prominent as the level of income got higher.
4.4.8 Correlation between housing preferences and housing values

Table 4.18: Correlation between housing preferences and housing values

<table>
<thead>
<tr>
<th>Economy / Family values</th>
<th>Family values</th>
<th>Family / Personal values</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quality of Kitchen (1.48)</td>
<td>Quality of Kitchen (1.57)</td>
<td>Quality of Kitchen (1.60)</td>
</tr>
<tr>
<td>2. Security system (1.58)</td>
<td>Number of bathrooms (1.64)</td>
<td>Quality of built in cupboards (1.60)</td>
</tr>
<tr>
<td>3. Quality of built in cupboards (1.61)</td>
<td>Security system (1.75)</td>
<td>Appearance of house (1.70)</td>
</tr>
<tr>
<td>4. Appearance of house (1.65)</td>
<td>Number of bedrooms (1.79)</td>
<td>Number of bedrooms (1.70)</td>
</tr>
<tr>
<td>5. Number of bedrooms</td>
<td>Appearance of house (1.82)</td>
<td>Number of bathrooms (1.70)</td>
</tr>
<tr>
<td>6. Number of bathrooms</td>
<td></td>
<td>Size of the garage and parking place (1.70)</td>
</tr>
</tbody>
</table>

It is interesting to see that “family” as a value is present in all three of the main identified values of the respondents. The fact that the preferences quality of the kitchen, quality of cupboards, number of bedrooms, number of bathrooms and security systems are present in the correlation with all three prominent values could be an indication that these are the preferences that are important to people who value their family and family life. This finding also correlates with the preferences identified for certain household compositions and outlined in age groups.

4.4.9 Factor analysis of the 26 individual housing attributes

After analysing the data of the 26 individual housing attributes, a clear pattern of four different groups or clusters of attributes of emerged (see Tables 3.1 and 3.2).

- The first factor was perceived as the most influential or most important group of features for the respondents. This group was named “Quality interior” and consists mainly of interior attributes of the house. These include the following features namely, quality of cupboards, quality of the kitchen, the number of bedrooms, the number of bathrooms, garage size, and parking, the overall size of the property, number of living rooms.
The second factor was named “Distance features” and includes distance from shopping, distance from the church, distance from schools, distance from family and friends and distance from work.

The third factor was named “Exterior qualities” and comprises of a nice view, the appearance of the house, the racial composition of the neighbourhood, the size of the plot, outside room, established a garden and the neighbourhood status.

The final factor was named “Luxury items”. This factor consists of features that the middle-class respondents identified as the features that they found the least important when considering to purchase a new property. The group includes the following features, namely air conditioning, fireplace, covered braai area, swimming pool, study, handicap accessibility, and security system.

In conclusion, it is clear from the data that the respondents valued the housing features about the quality interior as the most valuable. The combined mean of these features is the lowest at 1.9439. The exterior qualities of the house were the second most important features for the middle-income consumers. Locational attributes ranked third and luxury items fourth.

4.5 CHAPTER SUMMARY

In chapter four the collected data was analysed, interpreted and discussed. A factor analysis was done on the 26 individual identified housing attributes to determine if there was a relationship between the housing preferences, the socio-demographic and socio-economic characteristics of the respondents. The chapter also included correlations between housing preferences and different housing values of the respondents. The next chapter is the final chapter and deals with conclusions, recommendations and the limitations of the study.
CHAPTER 5
CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

5.1 INTRODUCTION
The general objective of the research was to determine the preference and the importance of different housing features among middle-class consumers in Potchefstroom. The secondary objectives, derived from the main objective of the research, was to gain background information on middle-class consumers within Potchefstroom and to determine if there was a relationship between the housing preferences, the socio-demographic and socio-economic characteristics of the respondents and what the relationship between them are.

Chapter 5 gives a reflection of the research and identifies some limitations of the research and also makes some recommendations for future research.

5.2 CONCLUSION & SUMMARY
The research was conducted by way of a structured self-administered questionnaire, completed by 107 middle-income consumers living in Potchefstroom, a university town in South Africa. The participants in the empirical study were representative of the socio-demographic and socio-economic composition of South Africa as well as that of Potchefstroom. The respondents included people from the different racial background, age, gender, marital status, household composition, family size educational levels, occupations and household income.

The research found that the value that is most prominent in influencing the housing preference of middle-income consumer’s in Potchefstroom is a combination of economy and family. Although not the most prominent value, the family was shown to be the value that was reported on in all four of the highest value categories.

It is clear from this that family values are very important for these middle-class consumers. Although Potchefstroom is a city, one of its strengths is the fact that it still has a very suburban way of living. It could be that the prominence of the family as a value is an indication of this aspect of the community. Another possible explanation could also be that religion and the church community is prominent and active in the community.
It was clear from the results of the research that the middle-income consumers value the Quality Interior of the property as the most preferred housing attribute when deciding to purchase a property and the least preferred attributes were the luxury housing attributes.

Looking at the 26 attributes individually, the preferences that were found to be the most prominent from the list of a possible 26 were the:

1) Quality of the kitchen;
2) Appearance of house;
3) Number of bathrooms;
4) Security system; and the
5) Quality of built-in cupboards.

The five housing attributes that were valued the least of the 26 attributes are:

1) Handicap accessibility;
2) Swimming pool;
3) Air-Conditioning;
4) Fireplace; and
5) Distance from shopping.

It is important to mention the presence of the security system as the fourth most preferred housing attribute within all the socio-demographic and socio-economic groupings. Irrespective of the high costs of security systems and in spite of the fact that the study was done within the middle-income consumer range, this was perceived as a very important attribute. The strong presence thereof can most definitely be attributed to the high crime rate in South Africa.

Correlations that were done between the socio-demographic and socio-economic characteristics and the housing preferences found that respondents from the different racial background, have different housing preferences. The White respondents’ most prominent housing preference was the quality of kitchen while the African respondent’s most preferred preference was the appearance of the house.

Interestingly, that number of bedrooms and the number of bathrooms were also within the top five attributes of the White respondents, where the African respondents identified the distance from school and the security system within their top 5 preferences.

The age-group of the respondents, as well as their family composition, greatly influenced their housing preferences. It was clear that the specific life stage that the respondents found themselves in influenced
the certain preferred attributes above others. The families with children paid attention to attributes such as the number of bathrooms and the number of bedrooms. The single people, a couple without children, and families whose children was already out of the house valued attributes such as the quality of the kitchen, the appearance of the house, security system and the neighborhood status.

Correlation between the different income groups within the middle-class range found that the lower the income of the household, the more important the appearance of the house became. A higher household income also increased the preference of a security system.

The data gathered from this research can undoubtedly contribute to the literature on this research topic, and it can make a valuable contribution to all stakeholders within the property industry irrespective of being a developer, a real estate agent, a government institution or a home buyer.

5.3 ACCEPTANCE OR REJECTION OF HYPOTHESES

The research investigated the preference of 26 housing attributes and the influence they have on the decision-making process of middle-income consumers in Potchefstroom. It is clear from the data that these 26 individual attributes can be divided into four cluster groups of attributes. The groups that were identified were 1) Quality interior, 2) Exterior 3) Distance/locational and 4) Luxury. The four clusters correlate with the hypotheses set at the beginning of the study and prove hypothesis H0 to be untrue, and H1, H2, and H3 to be true.

H0: Intrinsic attributes, Extrinsic attributes as well as neighbourhood and other locational factors, does not play an influential role in the housing decisions of middle-class consumers in Potchefstroom: This study found that intrinsic attributes, extrinsic attributes as well as neighbourhood and other locational factors, do play an influential role in the housing decisions of middle-class consumers in Potchefstroom. The hypothesis is rejected.

H1: Intrinsic attributes (such as cost and size) play an influential role in the housing decisions of middle-class consumer in Potchefstroom. The research showed that intrinsic attributes (such as cost and size) does play an influential role in the housing decisions of middle-class consumer in Potchefstroom. The hypothesis is accepted.

H2: Extrinsic attributes (such as exterior design) and exterior space play an influential role in the housing decisions of middle-class consumers in Potchefstroom. The research showed that
extrinsic attributes (such as exterior design) and exterior space do play an influential role in the housing decisions of middle-class consumer in Potchefstroom and the hypothesis is accepted.

H3: Neighbourhood and other locational factors (such as quality of the neighbourhood, location with regards to amenities) play an influential role in the housing decisions of middle-class consumers in Potchefstroom. The research showed that neighbourhood and other locational factors (such as quality of the neighbourhood, location with regards to amenities) do play an influential role in the housing decisions of middle-class consumer in Potchefstroom and the hypothesis is accepted.

5.4 LIMITATIONS OF THIS STUDY
Several limitations have been identified in this study. Since the research focused especially on the residents of Potchefstroom, one of the towns within the Tlokwe City Council, the results of this study could not provide a general picture of all of the residents within the specific city council, let alone the rest of South Africa.

The research focused on housing preferences in general and not on housing preferences for specific properties. The fact that Potchefstroom is a town with a university made it an ideal opportunity for the study to test for preferences with regards to different kinds of property, for example, residential houses, sectional titles, and student communes. It would also have been interesting to test what influence the university play in the decision is buying behaviour of the middle-class consumers. This would then have given a clear view of specific preferences for specific property buyers or investors. If the impact of the university was included in the research, the data could have been used to do comparative studies with other university towns or cities within South Africa or abroad.

The research gave an assessment on the importance of certain housing features in general terms, for example, the importance of the number of bathrooms or the number of bedrooms. Clear conclusions could be made with regards to the importance of these features, but the study did not address this issue regarding exact numbers of bedrooms and bathrooms preferred. The same can be said for other factors as well. If the research made provision for the respondents to include their preferences for example 3 bedrooms or 2 bathrooms or the size of the rooms must be 12 square meters for example, the research could even be more useful to different stakeholders in the property industry.
5.5 RECOMMENDATIONS

To overcome the limitations of this research and to gain further insights into the purchase decisions of middle-income home buyers it is recommended that future studies on this research topic include more than one town within a city council or more than one town within different provinces. This will enable the researcher to make additional comparisons between the preferences and values of respondents of different towns.

It is recommended that a similar study is conducted in other university towns to see if the results of another university town will be similar or not. Future studies are recommended to enable the respondents to clarify certain choices with actual additional information. For example, one knows that from this research that the number of bedrooms and the number of bathrooms was two of the housing features that the middle-income consumers preferred. Future study can try endeavor and ascertain how many bedrooms and how many bathrooms these consumers want in a property. This will assist stakeholders to make more informed decisions when deciding on what to build and what attributes and how many of the features to include.

It is also recommended that that future studies research the effect of housing preferences on different types of housing, for example, sectional title, full title, and flats. This will enable the researcher to test if consumers prefer different features for different housing types.

The fact that the research focused on the middle-class consumer only, also limited the data gathered. If other income classes were researched as well, many additional comparisons could have been made relating to specific preferences for different income classes.

It is also recommended that the study is duplicated and that the same questionnaire is used to test the results from low-income consumers and high-income consumers. This will give valuable information regarding the housing trends throughout the total income spectrum.
6. REFERENCES


Constitution see South Africa.


Kharas, H & Gertz, G. 2010. The new global middle-class: A cross-over from the west to east. https://www.brookings.edu/research/the-new-global-middle-class-a-cross-over-from-west-to-east/ Date of access: 15 October 2016


ADDENDUM A

Covering letter of questionnaire

To whom it may concern,

I hereby invite you to participate in a research project to study the housing preferences and attribute importance amongst residents of Potchefstroom. The general objective of this research is to determine the housing preference and the importance of certain housing attributes among middle-class consumers in Potchefstroom. This research project has been approved by the North-West University.

Accompanying this letter is a questionnaire that asks a variety of questions relating to housing preferences and attribute importance amongst residents of Potchefstroom.

I would appreciate it if you would consider taking part in this research by completing the attached questionnaire. The questionnaires can be completed by hand and submitted manually or by email to theocoetzee@gmail.com. The questionnaire should not take you more than 5 minutes to complete.

Participation in this research holds no risk for you. I hereby guarantee that the contents of each questionnaire will be 100% confidential. If you choose to participate, please do not put your name on the completed questionnaire. Your participation is entirely voluntary.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me at 083 5383162.

Yours sincerely

TP Coetzee
ADDENDUM B

Questionnaire used in research

<table>
<thead>
<tr>
<th>Questionnaire no.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
</tr>
</tbody>
</table>

Section 1: household data

1. To which population group do you belong?

   - White 1
   - Black 2
   - Coloured 3
   - Indian 4
   - Refused 9

2. How old are you?

3. What is the highest level of education you have completed?

   - Primary school 1
   - High school 2
   - Degree / Diploma 3
   - Post graduate education 4
   - Refused 9

4. What is your marital status?

   - Married 1
Widowed 2
Divorced 3
Separated 4
Never married 5
Living together 6
Refused 9

5. Are you currently employed?
(a)  
<table>
<thead>
<tr>
<th>Yes</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>2</td>
</tr>
</tbody>
</table>

(b) IF NO, GO TO 6
IF YES, what is your current employment? ___________________________

Office use only

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislators, senior officials</td>
<td>1</td>
</tr>
<tr>
<td>and managers</td>
<td></td>
</tr>
<tr>
<td>Professionals</td>
<td>2</td>
</tr>
<tr>
<td>Technicians and associate</td>
<td>3</td>
</tr>
<tr>
<td>professionals</td>
<td></td>
</tr>
<tr>
<td>Clerks</td>
<td>4</td>
</tr>
<tr>
<td>Service workers, shop &amp; market</td>
<td>5</td>
</tr>
<tr>
<td>sales workers</td>
<td></td>
</tr>
<tr>
<td>Skilled agricultural and</td>
<td>6</td>
</tr>
<tr>
<td>fishery workers</td>
<td></td>
</tr>
<tr>
<td>Craft and related trades</td>
<td>7</td>
</tr>
<tr>
<td>workers</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
</tr>
<tr>
<td>Not applicable</td>
<td>9</td>
</tr>
</tbody>
</table>

6. (a) How many people are living in the house?
Give an indication of the people living in your
(b)

house’s age, gender and relationship to you?

<table>
<thead>
<tr>
<th>Wife/husband</th>
<th>F</th>
<th>M</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mother</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Father</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Child</td>
<td>F</td>
<td>M</td>
<td>Age</td>
</tr>
<tr>
<td>Second Child</td>
<td>F</td>
<td>M</td>
<td>Age</td>
</tr>
<tr>
<td>Third child</td>
<td>F</td>
<td>M</td>
<td>Age</td>
</tr>
<tr>
<td>Fourth child</td>
<td>F</td>
<td>M</td>
<td>Age</td>
</tr>
<tr>
<td>Fifth child</td>
<td>F</td>
<td>M</td>
<td>Age</td>
</tr>
<tr>
<td>Others: specify</td>
<td>F</td>
<td>M</td>
<td></td>
</tr>
</tbody>
</table>

7. We are interested in the preferences of consumers when making housing choices. I will read descriptions of homes to you and I would like you to make a choice between the two homes in each pair described and indicate whether you choose the first or the second option.

What do you prefer?

7.1 A1. A house with good resale value or
      B1. A house where personal needs can be satisfied

7.2 A2. A house that suits our family income or
      B2. A house with plenty of rooms for recreation

7.3 A3. A house with good resale value or
      B3. A house that protects the health and safety of the family

7.4 A4. A house that suits our income or
      B4. A house where family members can spend their time together
7.5  A5. A house with good resale value or
B5. A house that you will be proud to have your friends see

7.6  A6. A house that suits our income or
B6. A house that will help you in your social contacts

7.7  A7. A house where personal needs can be satisfied or
B7. A house where family members can spend their time together

7.8  A8. A house with plenty of room for recreation or
B8. A house that protects the health and safety of the family

7.9  A9. A house where personal needs can be satisfied or
B9. A house that will help you in your social contacts

7.10 A10. A house with plenty of room for recreation or
B10. A house that you will be proud to have your friends see

7.11 A11. A house where family members can spend their time together or
B11. A house that will help you in your social contacts

7.12 A12. A house that protects the health and safety of the family or
B12. A house that you will be proud to have your friends see

Section 2: housing preferences

8 How important would each of the following features be in your choice of a new home?
Use: very important, important, unimportant and very unimportant.

<table>
<thead>
<tr>
<th></th>
<th>Very Important</th>
<th>Unimportant</th>
<th>Very Important</th>
<th>Unimportant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appearance of the house</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Number of bedroom</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Number of bathroom</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8.4</td>
<td>Number of living room</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.5</td>
<td>Quality of kitchen</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.6</td>
<td>Quality of built in cupboards</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.7</td>
<td>Study room</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.8</td>
<td>Outside room</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.9</td>
<td>Established garden</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.10</td>
<td>Swimming pool</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.11</td>
<td>Air conditioning</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.12</td>
<td>Security system</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.13</td>
<td>Fireplace</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.14</td>
<td>Covered barbeque (braai) area</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.15</td>
<td>Handicap accessibility</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.16</td>
<td>Overall size of the house</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.17</td>
<td>Size of the Garage and Parking space</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.18</td>
<td>Distance from schools</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.19</td>
<td>Distance from shopping</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.20</td>
<td>Distance from family or friends</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.21</td>
<td>Distance from work</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.22</td>
<td>Distance from churches</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.23</td>
<td>Nice view</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.24</td>
<td>Size of the plot</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.25</td>
<td>Neighborhood status</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>8.26</td>
<td>Racial composition of the</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8.27 Anything else that you think is very important and that was not mentioned?

9 Would you please give me an indication of your average household income per month? Is it........

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;R9,999</td>
<td>1</td>
</tr>
<tr>
<td>R10,000 - R19,999</td>
<td>2</td>
</tr>
<tr>
<td>R20,000 - R29,999</td>
<td>3</td>
</tr>
<tr>
<td>R30,000 - R39,999</td>
<td>4</td>
</tr>
<tr>
<td>R40,000 - R49,999</td>
<td>5</td>
</tr>
<tr>
<td>&gt;R50,000</td>
<td>6</td>
</tr>
<tr>
<td>Refused</td>
<td>9</td>
</tr>
</tbody>
</table>

Thank you so much for your participation. Have a good night!

ADDENDUM C: Letter from language editor
Saturday, 10 December 2016

To whom it may concern,

Re: Letter of confirmation of language editing

The dissertation: An analysis of housing preferences among middle-income buyers in Potchefstroom by TP Coetzee (1317366) was language, technically and typographically edited. The citations, sources and referencing technique applied were also checked to comply with university guidelines. Final corrections as suggested remain the responsibility of the student.

Yours sincerely,

Antoinette Bisschoff

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)

Precision ... to the last letter