
FACTORS INFLUENCING RESIDENTIAL PROPERTY PURCHASE DECISIONS DURING THE COVID-19 PANDEMIC (CASE STUDY ON CITRALAND GAMA CITY MEDAN HOUSING)

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Abstract: The purpose of this research is to understand factors influencing residential property purchase decisions during the COVID-19 pandemic, case study on Citraland Gama City Medan Housing. Research in this study using quantitative research. The population in this study are 251 heads of families who are all property buyers of Citraland Gama City Medan Housing during the COVID-19 pandemic. The sample in this study are 72 heads of families who are all property buyers of Citraland Gama City Medan Housing during the COVID-19 pandemic. Testing the hypothesis in research using a partial test (t). The results of the study show that product has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Price has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Promotion has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Location has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. People has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Physical evidence has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic.

INTRODUCTION

How important it is at this time to scientifically help the thoughts or points of view of potential residential property buyers, especially helping to be able to decide to buy residential property during the COVID-19 pandemic. At present, weak economic growth has reduced people's purchasing power, especially for buying expensive goods. However, before the COVID-19 pandemic, the property business was a lively and popular business sector and had become an important and trendy trade sector among entrepreneurs (Sari and Rahma, 2021). That there are several advantages of the property business, namely

getting money regularly, the value of property ownership which always rises and property gains (Sari and Rahma, 2021). From the two explanations above, it can be concluded that the property business provides quite a lot of benefits.

The implementation of health policies to reduce the spread of the COVID-19 pandemic has caused turmoil in financial markets and economic activity. To reduce the impact of the spread of the COVID-19 pandemic that is even and fast, health protocols and policies to limit mobility between regions and between countries are strictly implemented. This policy had an impact on hampering people's mobility, thereby reducing consumption, production and investment activities sharply. Concerning minus economic growth, the impact of global financial market uncertainty increased sharply as a result of declining consumer and business confidence in the economic outlook.

The dynamics of the Indonesian economy in 2020 have been heavily influenced by the impact of the COVID-19 pandemic that has occurred throughout the world. The COVID-19 pandemic has had an extraordinary impact on Indonesia, not only on health and humanitarian aspects, but also on social and economic aspects. In early March 2020, Indonesia entered a cycle of positive cases of the COVID-19 pandemic, which in a short time spread rapidly to various parts of Indonesia. In December 2020, the number of positive cases of the COVID-19 pandemic reached 743,198 nationally with 22,138 deaths recorded.

The government immediately takes policies to mitigate the spread of the COVID-19 pandemic, including through mobility restriction policies. The policy is mainly carried out by reducing individual mobility, including implementing a policy of maintaining distance between individuals. This policy strengthens the tracing, testing, and treatment (3T) health management policy, which is then implemented through health protocols using masks, washing hands, and maintaining distance (3M).

And on an annual basis, in the fourth quarter of 2020 it showed that sales of residential properties were not large, namely -20.58% (yoy), an increase compared to the third quarter of 2020 of -30.93% (yoy). As well as in general, the graph shows a decline in quarterly and annual property sales growth in 2020 during the COVID-19 pandemic which affected consumer buying and selling properties.

According to Dewi et al. (2021) explained that the COVID-19 pandemic has proven to have a very serious impact on every aspect of human life, including the economy, which has been shaken by it. For the property business economy, it has had a serious impact because this outbreak has affected every aspect of the property business such as property demand, property prices and mortgages, stable property prices, and delays in disbursing housing loans due to the economic downturn and difficulties in accessing finance. The property sector was very sluggish, the rate of property purchases (housing, apartments, etc.) dropped drastically due to decreased people's purchasing power and people's focus was more towards health, as well as hotel occupancy rates which experienced a drastic decline due to social restrictions, thereby reducing the number of people who travel (Saraswati, 2020).

Furthermore, according to Sari and Rahma (2021) explained that the impact of the COVID-19 pandemic will be a factor in the backwardness of the property business from all sectors. Because consumers will tend to hold back purchases for net savings which will reduce demand and occupancy in anticipation of a pandemic where there is no certainty

when it will end. This can be an arena for business actors to be able to survive by making strategies and the need for new policies and innovations for the sustainability of the company.

The purpose of this research is to understand factors influencing residential property purchase decisions during the COVID-19 pandemic, case study on Citraland Gama City Medan Housing.

RESEARCH METHODS

The definition of research is an organized investigation, or careful and critical investigation in finding facts to determine something. The research method is basically a scientific way to obtain data with specific purposes and uses. Based on this, there are four keywords that need attention, namely, the scientific method, data, goals and uses (Pandiangan, 2015; Pandiangan, 2018). Research in this study using quantitative research. Quantitative research is a scientific research method because it meets scientific principles, namely concrete/empirical, objective, measurable, rational, and systematic. This method is also called the discovery method, because with this method various new science and technology can be discovered and developed. This method is called the quantitative method because the research data is in the form of numbers and the analysis uses statistics (Pandiangan et al., 2018; Pandiangan, 2022).

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Pandiangan et al., 2021; Pandiangan, 2022). The population in this study are 251 heads of families who are all property buyers of Citraland Gama City Medan Housing during the COVID-19 pandemic. The sample in this study are 72 heads of families who are all property buyers of Citraland Gama City Medan Housing during the COVID-19 pandemic.

Testing the hypothesis in research using a partial test (t). Partial test (t) is carried out to determine the significant level of relationship between the independent variable and the dependent variable, whether the independent variable has a partial effect on the dependent variable (Pandiangan et al., 2022; Tobing et al., 2018).

RESULT

General Description

Citraland Gama City Medan Housing is a housing whose location is included in the Deli Serdang Regency area, North Sumatra Province and is close to the eastern border of Medan City, as informed in Figure 1. It should be noted that Citraland Gama City Medan Housing is one of the projects from the Ciputra Group developer, PT. Ciputra Development Tbk. This company is one of the leading property companies in Indonesia. And until now it has developed and managed business activities spread across major cities on the islands of Sumatra, Kalimantan, Sulawesi, Java, and Bali. Even the Ciputra Group is included in the Top Brand Index for the Property Category from 2016 to 2019 as informed in Figure 1:

Figure 1. Citraland Gama City Medan Housing Location



Partial Test (t)

Table 1. Partial Test (t)

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.785	3.952		1.211	.230		
	TotalPk	.269	.114	.397	2.357	.021	.227	4.399
	TotalH	.800	.194	.622	4.120	.000	.283	3.536
	TotalPi	.196	.165	.169	1.191	.238	.319	3.135
	TotalL	.118	.114	.108	1.034	.305	.586	1.708
	TotalO	.082	.089	.096	.912	.365	.584	1.712
	TotalBF	.373	.169	.357	2.209	.031	.247	4.053

a. Dependent Variable: TotalKP

The results of the study show that product has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Price has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Promotion has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Location has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. People has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Physical evidence has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic.

CONCLUSION

The results of the study show that product has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Price has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic. Promotion has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Location has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. People has a positive and insignificant effect on residential property purchase decisions during the COVID-19 pandemic. Physical evidence has a positive and significant effect on residential property purchase decisions during the COVID-19 pandemic.

Based on the results of the research, the suggestions from this study are as follows:

1. For the government, i hope this can be used as information in formulating government strategies to make policies, especially during the COVID-19 pandemic. One example that has been running is the relaxation incentive for housing VAT with a system of providing VAT incentives for the delivery of landed houses/flats that are borne by the government for 6 months for the tax period from March to August 2021 and continuing until early 2022 so that people's purchasing power remains especially for buying expensive goods and when economic growth is weak.
2. For companies/developers, information can be used as information in formulating strategies for companies/developers to make effective policies, especially during the COVID-19 pandemic. In accordance with the results of the study, very important factors need to be reviewed due to increasing sales in times that were not normal before the COVID-19 pandemic occurred, namely products, prices and physical evidence. Although for promotion factors, location and people are not very important, they still have an influence together. Even companies/developers need to partially increase their influence on potential customers by making innovations during the COVID-19 pandemic.
3. For readers/the public, i hope this can be used as information in deciding for readers/the public to buy residential property, especially during the COVID-19 pandemic.
4. For academics, i hope this can be used as a reference for literature review/education science literature and for further research on residential property, especially during the COVID-19 pandemic.
5. For future researchers, it is hoped that they can conduct research by developing property management insights on this research topic. Because there are still other factors that have not been discussed in this study so that they can strengthen the significant level of purchasing decisions for residential property during the COVID-19 pandemic.

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