

# Factors Influencing Interests the Lower Income Community toward Simple Rental Flat in Surabaya, Indonesia

Palupi Sri Narisywari, Happy Ratna Santosa, Ispurwono Soemarno

**Abstract**— The housing needs of low income community is an important thing to be fulfilled. The government has facilitated the housing need for lower income group by providing the simple rental flat. Initially, Surabaya Government having problems in changing community perception toward rental flats. Based on cultural aspect, most of lower income community is tend to stay at landed house. Nowadays lower income group are more understand the difficulty of finding and using urban land because of the high price. Its problem made the rental flat becomes interesting for lower income community.

This study is to explore the influencing factors of low income community that choose to live in simple flat rental. This research used statistic descriptive, cross tabulation analysis and descriptive analysis methods. The result shows that the external factors that pull respondent to live in flat is because of the affordable of flat rental price. The influence of family factors and the influence of friends / neighbors are also external factor that push the flat occupants choose to live in flats. The clean and adequate condition in simple rental flat becomes interesting factors for low income community to live in simple rental flat.

**Index Terms:** community interests, housing selection factors, lower income class, simple rental flat

## 1 INTRODUCTION

Surabaya is one of the major cities in Indonesia has economic growing rapidly. It is increasing Surabaya's migration and increasing population naturally. Its implication is increase housing needs directly, while the availability of urban land is limited. Implication of land limitation is increasing land prices in the center of city. It is encourage lower-middle income community live in suburban areas far away from the workplace.

Vertical housing concept is one of alternative solution to provide housing needs. The benefit of simple rental flat development are preserve open spaces in city to make environment more comfortable, shorten the infrastructure network in the city, make occupants closer to their work place, and minimize built up land [1].

The government has plan to build simple rental flat to bring back lower middle income community near into their daily activities [2]. Initially, the development of simple rental flat has some problems. Based on cultural aspect, Indonesian characterized as an agrarian society is always desire to be close to the earth physically as well as live in landed housing [3]. Furthermore, another problem based on occupant perception is inability to pay rent cost [4].

Initially, lower income community in Surabaya hasn't changed the perception toward vertical housing because most of Indonesian people live in horizontal housing. Nowadays, people awareness toward simple flat rental house is increasing. Community awareness made the rental flat becomes in-

teresting [5], [6]. Lower income community who ordered on simple rental flat in 2009 amounted to 500 households, while at the beginning of 2012 amounted to 3,000 households [5], [7].

This study is to explore the influencing factors of low income community who choose to live in simple flat rental in Surabaya. By dismantling the influencing factor can be one way to encourage the flat development. The development of simple rental flat should be accordance with the expectations and characteristics of the lower income class in Surabaya.

## 2 CONCEPTUAL FRAMEWORK

### Simple Flat Development Concept

Flats is the buildings were constructed in an environment that is divided into parts that structured functionally, both in horizontal and vertical direction, and is a each units which can be owned and used separately, especially for occupancy that is equipped with public space, objects sharing, and land sharing [8].

Housing types is differentiated by ownership status, both types of housing are ownership and tenancy [9]. There are two types of simple rental flat in Surabaya, it is simple owned flat (*Rusunami*) and simple rental flats (*Rusunawa*). *Rusunami* are flats that purchased by first hand occupants and purchase directly to the developer, while *Rusunawa* are flats which rented by the middle-low income occupants<sup>1</sup>.

Ministry of Housing defines the criteria for low-income groups. Low income group are groups of families / households with monthly income up to 2,500,000.00 IDR which indicates the low income community [10].

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<sup>1</sup> *Rusunawa* is one of public housing in Indonesia. Most of public housing in Indonesia is built and managed by the government. The target groups of *Rusunawa* development are low income communities. That is different to *Rusunami*, most of *Rusunami* is built and sold by developers.

Housing for low income community is different with the housing for high income community. Housing criteria based on lower income community are security tenure of housing, affordable rental price, and housing location close to the work place [11].

Housing planning must consider the location and settlement infrastructure. It is also important for simple flat planning that should facilitate accessibility to facilities and basic infrastructure in supporting community activities [1], [11], [12], [13], [14].

Simple flat planning must consider the cultural habits of lower income communities. Low income communities have outdoor personality habit. Therefore, to encourage such habits, simple flat planning should provide public space such as playgrounds and public park around the flat location.

Based on the explanation of public housing development criteria, some important aspects in the public housing can encourage public interest toward simple rental flat.

### Culture, Housing and Built Environment

Housing is part of the built environment that around humans. Housing development is part of the process of forming the built environment. In arranging and develop the built environment relate to other aspects such as natural environment, environment behaviors and processes, environment cognitions, environment orientation and world views [15]. This four factors relation to the formation of the built environment as the outcome of cultural processes.

Occupants determine to settle or move to another location made for adjustment to the social and economic condition of its occupants. Occupants moving are shows the improvement of economic status. The implication of economic improvement is occupant movement to get a better home (Figure 1) [16], [17].

Socio-cultural aspects are also an important role in decision choice of the residence. The choice is closely related to the socio-cultural context of a nation or region. One of them can be observed in the socio-cultural characteristics of the community in Saudi Arabia which has a specific influence on residential choice. Arabian kinship culture is influence to the residential preference and choice pattern. The important attribute which is considered in choosing housing, especially for low-income people in Arabic is an exterior room, location, and closeness of family relationship [18].

Occupant's decision choice of the residential are shows the adjustment of economic status. People try to improve the quality of their shelter when they economic conditions have improved.

### 3 METHODS

The research used a quantitative descriptive and qualitative descriptive. Quantitative research used correlation research analysis (cross tabulation technique) and descriptive statistic. Qualitative description is needed to explore the reasons and interpretation for the housing choice by the lower middle class.

Respondents sample in this study is the occupants who already live in simple rental flat. A case study in this research is

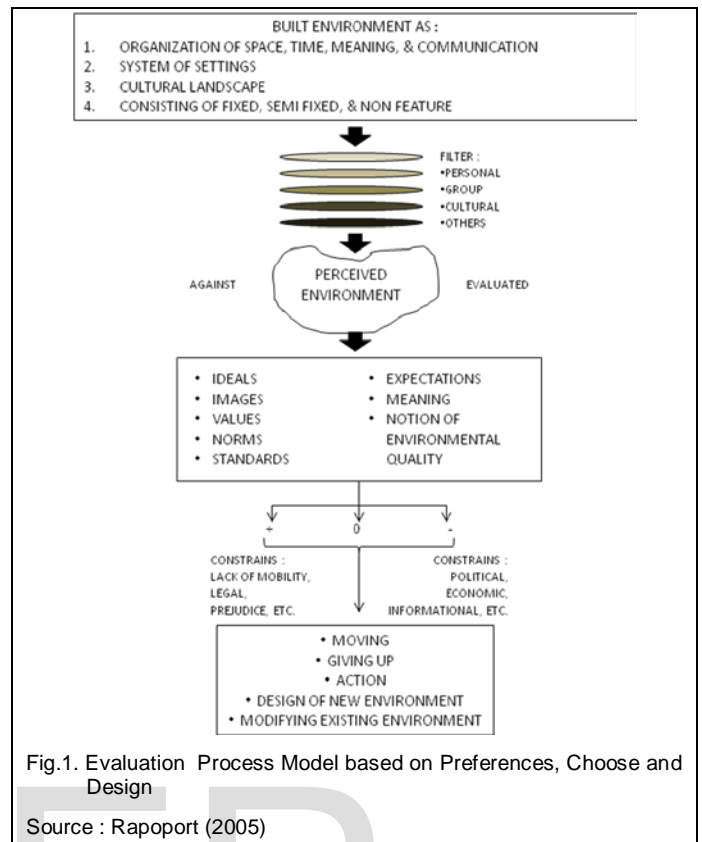


Fig.1. Evaluation Process Model based on Preferences, Choose and Design

Source : Rapoport (2005)

*Rusunawa* Penjaringansari III. *Rusunawa* Penjaringansari III intended for the lower income community in Surabaya. The samples of respondents in *rusunawa* Penjaringansari III are 49 respondents.

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The analysis was performed by collecting primary data. The primary data obtained from the questionnaire survey and observations field were analyzed by descriptive statistics and qualitative description based on field observation. Stakeholders such as headman, head of neighborhood and representative respondents, were interviewed.

### 4 DISCUSSION AND RESULT

#### Occupant Data Based on Socio-Economic Aspects

Occupant decision choice to stay in simple rental flat is relation to its socio-economic conditions. Therefore, the socio-economic aspects conditions of rental flat occupants in *Rusunawa* Penjaringansari III are consists of the age of household head, the income of household head, last education of the household head and job of household head.

Most of occupants who live in the flat are productive household. The majority of occupants are young families (household heads aged are 21-40 years old). The age of the household heads are between 31-40 years old (41 %) (Figure

2).

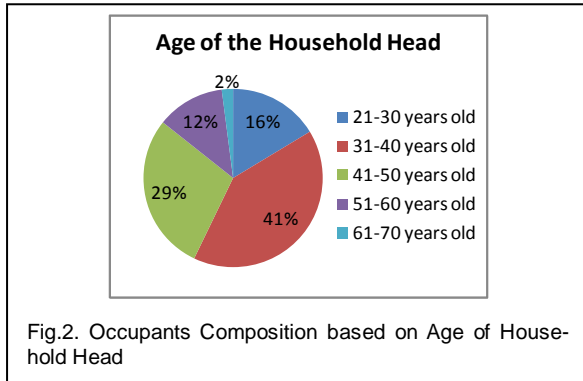


Fig.2. Occupants Composition based on Age of Household Head

Based on the economic conditions of the respondents, this study was found that the majority of the flat occupants are low income groups (income up to 2,500,000.00 IDR). Still found one respondents that included the middle income group (earning 2,500,000.00-3,500,000.00 IDR) who live in simple rental flat, it is due to an increasing economic conditions of the respondents. Occupant works as entrepreneur who has increased economic conditions. These conditions are not in accordance with the requirement for simple rental flat occupants in Surabaya. People who want to stay in the flats are community with income of less than 2,500,000.00 IDR (Figure 3).

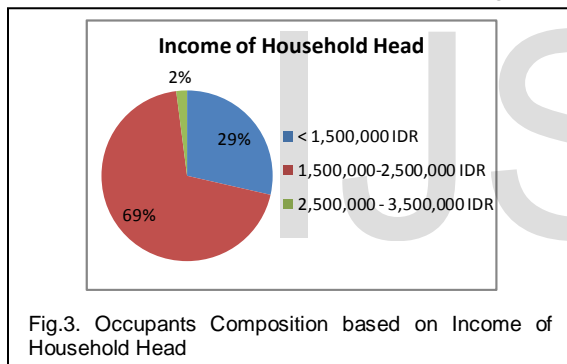


Fig.3. Occupants Composition based on Income of Household Head

Based on the research, it was found that most of the *Rusunawa* Penjaringsari III occupants have been educated to high school / vocational school (63%) that showed a good level of education. All occupants have been through primary school education. It shows that the level of social environment is also quite good.

Most of the flat occupants work as private employees (36 %). Around 24 % working as self-employed and 18 % occupants worked in a factory. Flat Occupants work from morning to evening for about 8 hours. It make flats in daylight conditions is quite deserted.

### Information Sources

Most of the flat occupants found out information about the *rusunawa* from a neighbor / friend (41%), around 37 % occupants found information about *rusunawa* from family, and some occupants have searched information by themselves (14%) (Figure 4).

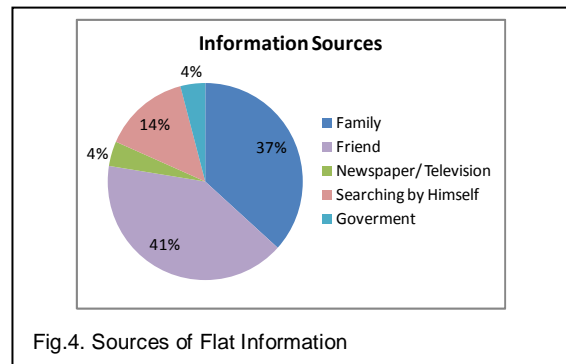


Fig.4. Sources of Flat Information

### Community Interest Level to Live in Flats

Around 51% of respondents have medium levels of desire to stay in the flat. Furthermore, there are 35% of respondents have a high level interest to stay at the flat. The mean value of community interest level to live in flats is 3.57. It shows that the interest level of the respondent to stay in the flat included in average/medium category (Figure 5).

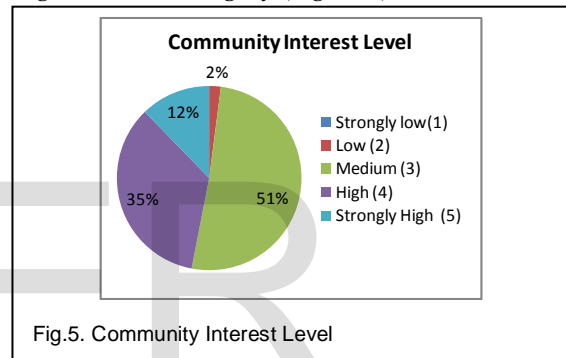


Fig.5. Community Interest Level

### Cross Tabulation between Information Sources and Age of Household Head

The result based on cross tabulation analysis between information sources and the age of household head as follows:

- Approximately 8.2 % of household head at 21 - 30 years old get information about flat from their family.
- Around 16.3 % of household head at 31 - 40 years old get information about flat from their family.
- Around 14.4 % of household head at 41-50 years old get information about flat from neighbor or friends.

Based on the analysis of cross tabulation between information sources and the age of household head, can be found pattern of relationships between these two factors. Group of young families (aged 21-40 years old) seek and obtain information about the simple rental flats from parent or family. Adult family group (aged 41-60 years old) were more independent in finding information about the simple rental flats. They get the information from neighbors/friends and unaffected by perception of the parents. The influence of family began to increase in giving information about the towers at the old families. In old age group, also found that the respondents received information about simple rental flats from the family. Respondent who have aged were tend to depend on their family. Based on the analysis it can be concluded that the source of information about the simple rental flats is associated with the age of household head.

Based on interviews is also found that the role of neighbor/friend is huge in helping the respondents so that they can live in simple rental flats. Neighbors who helping the respondent is head of neighborhood. They gave requirements information to staying in the flat.

### **Cross Tabulation between Information Sources and Community Interest Level**

Occupant's *Rusunawa* Penjaringan III seeks and receives information before living in the flat. Flats information resources are one aspect that can influence community interest to stay in the flat. Flats information resources was from family, neighbors/friends, television news/other telecommunication media, searching information by his own and got information from the government. Based on the cross tabulation analysis, it is obtained the following results :

- Around 20.4 % of respondents who received information from neighbors/friends have a high level interest to stay in the simple rental flat.
- Around 18.4 % of respondents who received information from family have a medium level of interest to stay in the flat. While 8.2 % respondents had a high and very high of desire level to stay in the simple rental flat for each categories.
- Around 8.2 % of respondent who received information independently about the simple rental flat have a medium level of interest to stay in the simple rental flat. While 6.1 % of respondents had a high desire to stay at the simple rental flat.

The pattern of correlation between the information sources and the community interest level was found that respondents who received information from neighbors/friends is a group that has been independent, they get encouragement from neighbors/friends and ready to stay in the flat.

While the most respondents who received information from family are have a medium level of interest to stay in the flat. Based on interviews with respondents who received information about the towers from the parent, it was found that the role of parents is very large in influencing respondents' decision to stay in the flat. Parents helped respondents since rent registration process in Surabaya Government, besides the presence of family who already live in the simple rental flat also affect the decision to stay in the flat. Although many families are helped and encouraged to stay in the towers, but most of the occupants has an average interest level to stay in the flat. They tend to be passive and wait for the encouragement of the family.

### **Cross Tabulation between the Age of Household Head and Housing Type Previously**

Flat occupants are staying at home parents/family, boarding house and rental house. Furthermore, the pattern would be observed between the age of household head and type of housing before live in simple rental flat. Based on the cross tabulation analysis, it is obtained the following results:

- Around 24.5 % of households in the age of 31-40 years old, living in a boarding house before living in the flat.
- Around 10.2 % of households at age 21-30 years old previously living with parents/families.

- Around 18.4 % of household head in the age 41-50 years old living in a boarding house before living in the flat.
- Around 8.2 % of household heads in 51-60 years old living in boarding house before living in the flat.

Patterns that can be observed from the cross tabulation analysis between the ages of household heads and type of housing previously had shown that the majority of the respondents live in boarding house before live in simple rental flat. Respondents who lived in a boarding house previously is an adult family group (aged above 31 years old), while respondents who lived in parents/families house is a group of young families (aged 21-30 years old). Increasing age of the household head, it makes household head more self-sufficient. It can be found that the young family is still influenced by parents in decision choice of housing, while old families who are enough independent stay in a boarding house.

### **Cross Tabulation between the Housing Condition Previously and Community Interest Level**

The following discussion is a cross tabulation analysis between the housing conditions previously with the community interest level to stay in the flat. Based on the analysis of cross-tabulation, it is obtained the following results :

- Around 14.3 % of respondents were lived in a small space room and crowding room had a high interest level i to stay at simple rental flat.
- Around 10.2 % of respondents who had previously lived in a dirty environment have a medium interest level to stay at simple rental flat.
- Around 8.2 % of respondents who had previously lived in a home with a high-rent cost had high interest levels to stay in simple rental flat.
- 12.2 % of respondents who had previously lived at home parents/families with good environmental conditions have a medium interest level to stay in simple rental flat..

The pattern was found based on the analysis of cross-tabulation the housing condition previously with the community interest level stay at the flat rate suggests that the factors that led to the high interest level to stay in the towers was due to the limited size of the house they lived before living in flats (14.3 %). Generally, the type of house that occupants lived before is boarding house that has small space room. It became the driving community interest to stay in the flat which has a larger space. The room size in boarding house is 15 m<sup>2</sup>, while the size of 1 unit simple rental flat is 24 m<sup>2</sup>. Each unit contained flats living room, 1 bedroom, kitchen and drying clothes area.

In addition, the rental price of living in rental flats is cheaper than the price of boarding house. There are 8.2 % of respondents with a high interest level to stay at the flat stated that the price of the rental dwelling previously is more expensive. Flat rental price is only about 34,000.00 – 76,000.00 IDR.

In general, the low income community interest to stay in the flat in the category of medium level. One of them can be seen that the previous occupants who stay at home parents / families are in a good environment and convenient (12.2 %), so the interest level to stay in the flat in the category of 'medium/average'. On respondents who previously lived at home

parents/families, encouragement of living environment previously not pose too high interest to stay flat. On the other side, respondents who previously lived at home parents/families also have high interest in staying in the flat because they want to be independent and not rely on their parents.

### Cross Tabulation between Housing Condition Previously and Housing Type Previously

Flat occupants were stay at home parents/families, boarding house, and rental houses before to living in flats. Generally occupants lived in kampong area formerly. The following discussion is observing the pattern of the relationship between housing condition previously and housing type previously. Based on the cross tabulation analysis (Table 5) it is obtained the following results:

- Around 55.1% of respondents lived in the boarding house previously. The boarding house conditions are dirty (16.3%) and small room (12,2 %) condition.
- Around 36.7% of respondents lived stay at home parents/families previously. The house conditions of parents /families are quite good (18.4%). There are respondents who lived at home parent / families with the small size of houses (16.3%). The number of family members living together also creates a crowding at home.

### The Important Factor in Simple Rental Flat

The factors that most important for low income community that chose to live in simple rental flat is the affordable of rental cost (average value is 4.61) (Figure 6).

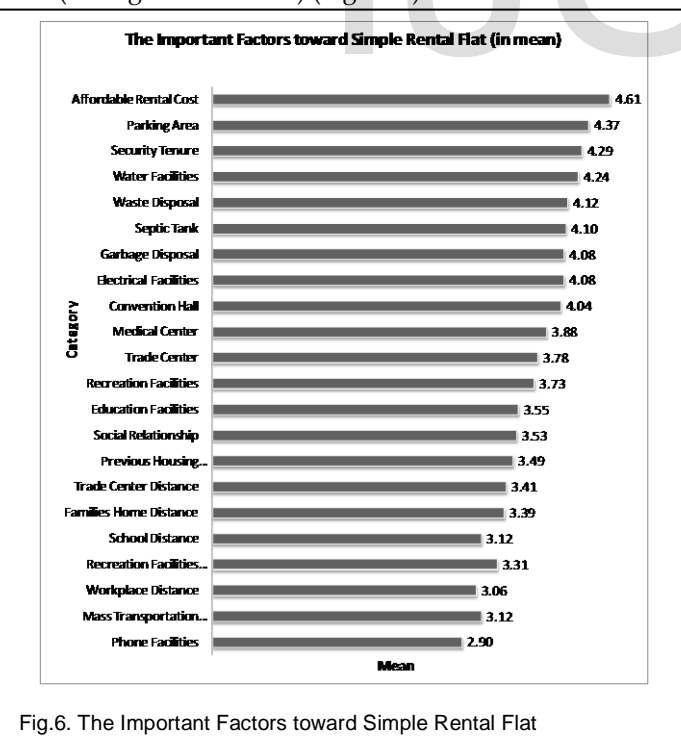


Fig.6. The Important Factors toward Simple Rental Flat

The affordable of rental cost are the main factors that pull people to live in flats. Availability of parking facilities (average value is 4.37) in simple rental flat became the second factor to be considered by low income community. Then security

tenure of home (mean value is 4.29) was the third factor that important for lower income community (Figure 6).

## 5 CONCLUSION

Based on the economic conditions of the respondents, it was found that the majority of the flat occupants are low income communities. However, It is still found one respondents that included the middle income group (earning 2.500.000,00 - 3.500.000,00 IDR ) who live in simple rental flat, it is due to an increase in economic conditions. Occupants who are works as self-employed have increased economic conditions. These conditions are not in accordance with the requirement set for occupants by Surabaya Government. People who want to stay in the simple rental flat are lower income people with income of less than 2,500,000.00 IDR. Groups of people who live in the simple rental flat were included in the productive age group and most of them are young families.

External factors that encourage occupants to stay in the simple rental flat were the influence of parent/family and friends/neighbors influence. Most of respondents get information about the occupant's requirement of the simple rental flat from family and friends/neighbors. Respondents who are still young families (aged 21-40 years old) tend to get the influence of parents and families in decision choice to stay in the flat. Respondents with household heads aged 41-60 years old under the influence of friends/neighbors in deciding to stay in the flat. They received help and encouragement from the friends/neighbors to stay in the flat.

In addition, the flat rents are affordable, this is the external factors that attract flat occupants to stay in the flat. Then security tenure of flats and availability of clean water were a second factor that interesting flat occupants decided to stay in the simple rental flat.

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