Property Industry Financing Behaviour Model for Low-Income Communities (MBR) in Langkat Regency

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Abstract: This study aims to formulate and estimate three main models to obtain an overview of the demand for property credit at the Low-Income Community (MBR) level. The empirical model used for estimation is Structural Equation Modeling (SEM). The design of this study is quantitative based on explanatory research. The research data were obtained from distributing questionnaires with a sample of 96 respondents. The results of this study prove that Financing Behavior affects Financing Supply. Specifically, the research findings conclude that Financing Behavior can increase Financing Supply. The second hypothesis test proves that Financing Behavior affects Financing Demand. Specifically, the research findings conclude that Financing Behavior can increase Financing Demand. The third hypothesis test proves that planning from Financing Expectations influence on Financing Supply. Hypothesis testing s The fourth proves that planning from Financing Expectations does not affect Financing Demand . Specifically , the research findings m e n y o n g that Financing Expectations have not been able to increase Financing Demand.

Keywords: Financing Behavior, Financing Expectations, Financing Supply, Financing Demand

Introduction

The development of guava farmers in Binjai City is quite good. The Mayor of Kuala Lumpur, Malaysia, admired the honey guava fruit developed by the Binjai City government, North Sumatra, during his review of the guava plantation, Paya Roba Village, West Binjai District, recently. The Mayor of Kuala Lumpur, Datuk Seri Ahmad Phesal bin Talib, has seen firsthand the honey guava plants developed by farmers together with the government, in this case the Department of Agriculture. The admiration of the Mayor of Kuala Lumpur has provided motivation for the city government to continue developing fruits such as honey guava, seedless guava, as well as various other breakthroughs regarding fruit (Janitha, 2018). This honey guava, said Timbas, will be introduced to Malaysia more widely because the people there are increasingly fond of this fruit (Source: Merdeka.com, 2014). This shows that the potential market opportunity for honey guava is still relatively high, both for local and foreign markets. Market opportunities are a series of favorable conditions or environments that originate from internal and external factors. Internal factors are important factors to consider in planning and decision making. Management with all its expertise is required to develop a strategy that is suitable for the

company it leads. Changing environmental conditions, both directly and indirectly, will affect the conditions of competition, especially agricultural products. The increasingly tight competition in terms of selling honey guava has an impact on the operational activities of farmers in meeting the needs of their consumers (Anas, 2018). This condition will of course be a threat to farmers if they cannot anticipate and adjust to the conditions of production produced, to be able to anticipate this, farmers must be able to formulate strategies for market opportunities and business environmental conditions that are precise and effective.

The era of the ASEAN Economic Community (AEC) has an impact on increasingly tight competition. Honey guava farmers are faced with tight competition from similar productions that market the same products. Honey guava production from outside Indonesia will of course flood the Indonesian market. In order for farmers to outperform their competitors, farmers must be able to increase market opportunities and income and to anticipate competition from other competitors who offer similar products, one of the efforts made by farmers is to increase and maintain existing market opportunities (Chai, et al., 2022). Decrease in sales turnover of honey guava of course has a negative impact on the survival of farmers. This has reasons including the existence of intense competition carried out by other similar competitors causing farmers to have to carry out more comprehensive and competitive marketing strategies (Ji, 2024). This research was conducted on honey guava farmers in Binjai City. This group of guava farmers is one of the most affected the impact of the MEA enactment, so it requires adjustments in strategy marketing in order to anticipate uncertain business environment. This research conducted to determine the influence of market opportunities and conditions business environment on guava farmers' income. The condition of the business environment also has a greater impact on resources, structures and processes in production. Business environmental factors contain the strengths and weaknesses of the organization which will certainly affect income. The results of Debrah, Chan & Darko (2022) study concluded that environmental factors have a significant effect on the income and performance of manufacturing companies. Irawan & Arifin (2023) stated that to achieve optimal income, strategies must be formulated by considering the business environment (Chen, 2022).

Methodology

Study uses a causal associative research approach. According to Umar (2007 : 30) causal associative research is research that aims to analyze the relationship between one variable and another variable or how a variable affects another variable. . " The population in this study were honey guava farmers in Binjai City. yes , totaling 63 people . Sampling was carried out using the census technique where the entire population was used as a research sample

Table 1. Operational Definition of Research Variables

| Variables	Definition of Operational	Indicator	Measuring Scale
Market Opportunity (X_1)	The most favorable critical situations in a company's environment. Market opportunities typically include price changes, new product launches, distribution coverage and promotional intensity :	1. Increase the overall market 2. Maintaining market share 3. Expanding market share	Likert Scale
Business Environment (X_2)	The environment that an organization faces and must be considered in making business (corporate) decisions. The organization's daily activities include interaction with the work environment.	1. Internal environment 2. External Environment	Likert Scale
Income (Y)	An increase in economic benefits during an accounting period in the form of income or additions to assets or a decrease in liabilities resulting in an increase in equity that does not originate from capital investment contributions.	1. Seller Conditions and Capabilities 2. Market Conditions 3. Capital 4. Organizational Conditions	Likert Scale

Data Analysis Techniques

The test tool used to analyze the hypothesis in this study is Multiple Linear Regression Analysis to test the price and distribution variables against competition . Multiple Linear Regression Analysis is influenced to determine the influence of several X variables on one Y variable.

Result and Discussion

Convergent Validity

Validity measurement consists of on validity convergent And validity discriminant. Validity convergent determined use parameter loading factor And mark AVE (Average Variance Extracted). Measurement can be categorized as having validity. convergent if the loading factor value > 0.7 and the AVE value > 0.5 (Jogiyanto, 2009).
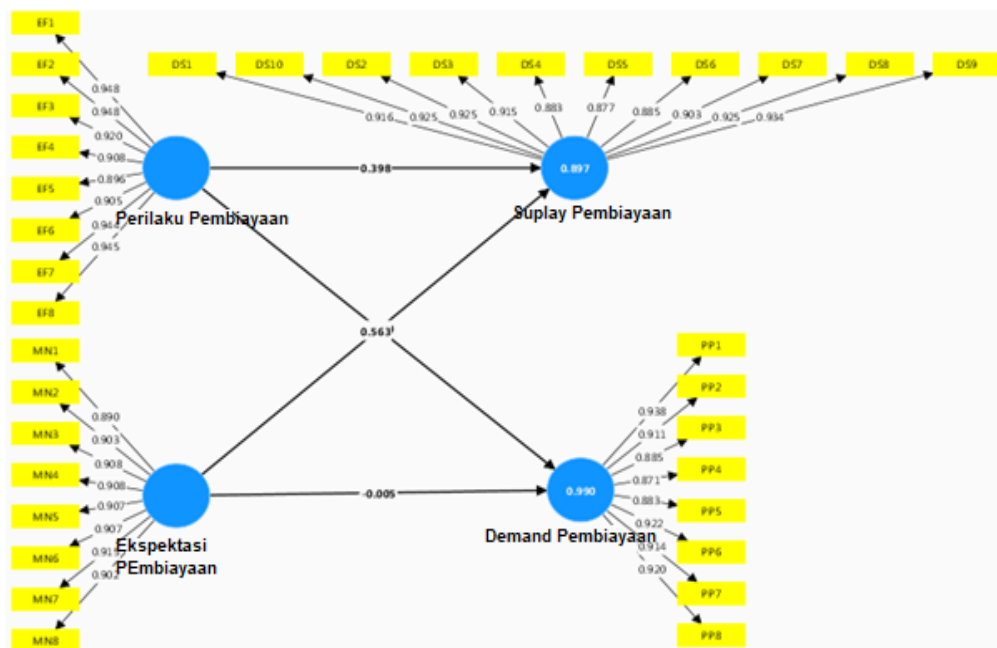
Figure 1. Outer Model
Source: Smart PLS Data Processing Results

Based on the image, it can be seen that all variable indicator items have a loading factor value above 0.6. Therefore, all variable indicators can be used as SEM-PLS models. In addition to being seen from the loading factor value, *convergent validity* can also be seen from *the Average Variance Extracted* (AVE) value. The following are the results of the validity test, using AVE (Kouhirostami, 2023).

Composite Reliability

Composite reliability tests the reliability value of indicators on a variable. A variable is said to fulfill composite reliability if it has composite reliability value > 0.7.

Table 2. Composite Reliability

Variable		
	Cronbach's alpha	Composite reliability (rho_a)
Financing Supply	0.977	0.977
Financing Behavior	0.976	0.977
Financing Expectations	0.968	0.968
Financing Demand	0.969	0.969

Source: Data Processing Results, 2024

The table above shows that all constructs have composite reliability values above 0.7. Therefore, no reliability/unidimensionality problems were found in the model formed.

Bootstrapping Test

Method bootstrappingis a procedure for taking new samples repeatedly for n samples. new from the original data of size n, where for a new sample is performed taking sample points from the original data one by one up to n times with taking.
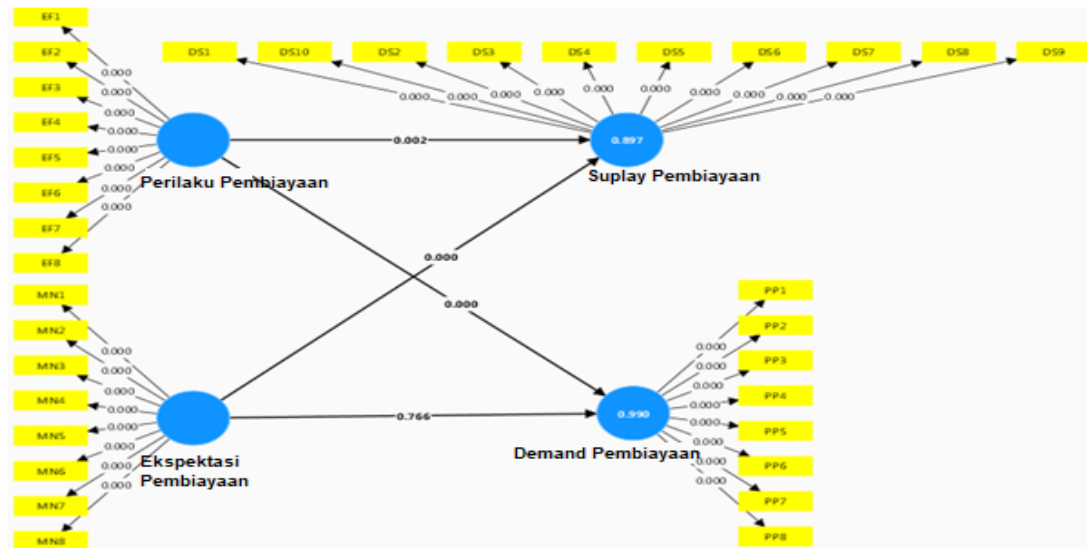

Figure 2.

Hypothesis testing results done Fortesting the significance of the influence of exogenous variables as a whole to variable endogenous. based on the graph above can be described as follows:

1. *Hypothesis One Testing (H1)*
   The hypothesis tested in this section is hypothesis one stating that Financing Behavior is positively related to Financing Supply . The purpose of testing this hypothesis is to determine whether Financing Behavior has an influence on Financing Supply . The bootstrapping results show a CR value (t-count) of 3.087 > 2.576 and a probability value of 0.002 <0.05, meaning that these results indicate that Financing Behavior has a positive and significant influence on Financing Supply , meaning that the proposed hypothesis one (H1) is supported (Bespalova, 2022).

2. *Hypothesis Two Testing (H2)*
   The hypothesis tested in this section is hypothesis one stating that Financing Behavior is positively related to Financing Demand . The purpose of testing this hypothesis is to determine whether Financing Behavior has an influence on Financing Demand . The bootstrapping results show a CR value (t-count) of 57.439 > 2.576 and a probability value of 0.002 <0.05, meaning that these results indicate that Financing Behavior has a positive and significant influence on Financing Demand , meaning that the proposed hypothesis two (H2) is supported.

3. *Hypothesis Three Testing (H3)*

The hypothesis tested in this section is hypothesis one stating that Financing Expectations are positively related to Financing Supply . The purpose of testing this hypothesis is to determine whether Financing Expectations have an influence on Financing Supply . The bootstrapping results show a CR value (t-count) of 4.647 > 2.576 and a probability value of 0.000 <0.05, meaning that these results indicate that Financing Behavior has a positive and significant influence on Financing Supply , meaning that the proposed hypothesis three (H3) is supported.

4. *Testing Hypothesis Four (H4)*

The hypothesis tested in this section is hypothesis one stating that financing expectations are negatively related to financing demand . The purpose of testing this hypothesis is to determine whether financing expectations have an effect on financing demand . Bootstrapping results show a cr value (t-count) of 0.297 <2.576 and a probability value of 0.766> 0.05, meaning that these results indicate that financing expectations have a negative and insignificant effect on financing demand , meaning that the proposed hypothesis four (h4) is rejected.

Discussion

The first hypothesis that is stated is that that Financing Behavior has an influence signi fi cant. Financing Supply proves the hypothesis is accepted. It means Financing Behavior has a significant impact on Financing Supply. Specifically , findings study m e n y o n g that Financing Behavior can increase Financing Supply (Diana, 2018; Xiang, Liu & Yang, 2022). Financing Behavior in the form of understanding mortgage financing, laws or regulations is a driver for increasing Financing Supply. Good Financing Behavior can increase Mortgage Financing Supply and vice versa, less effective Financing Behavior can cause a decrease in Financing Supply. The results of this study are also consistent with the results of Fauziyah research (2016) and Wu (2022) showing that Financing Behavior has a positive and significant effect on Financing Supply. The second hypothesis t h a t is stated is that that Financing Behavior has an influence signi fi cant. Financing Demand proves the hypothesis is accepted. It means Financing Behavior has a significant influence on Financing Demand.

Specifically, findings study menyong that Financing Behavior can increase Financing Demand. This finding shows that Community Financing Demand in Langkat Regency is directly influenced by the existing Community Financing Behavior in Langkat Regency. Financing Behavior plays a very dominant role in the success of the organization in carrying out its various activities, especially seen in the KPR Financing Demand for the community in Langkat Regency. Specifically, the research findings conclude that Financing Behavior can increase Financing Demand (lee et al, 2022). This finding is in line with the findings of Muizu (2014) who showed a significant influence of Financing Behavior on the Financing Demand of banking employees in North Sulawesi. In line with this, the results of Wang's (2010) research showed that Financing Behavior had a positive effect on Financing Jin, Gao & Wang (2021) also showed that Financing Behavior had a positive and significant

effect on Financing Demand. The third hypothesis t h a t is stated is that that Financing Expectations have an impact signi fi cant. Financing Supply proves the hypothesis is accepted. It means Financing Expectation has a significant impact on Financing Supply. Specifically , findings study that Financing Expectations can increase Financing Supply. The results of this study support Moringiello, & Odinet (2022) in his research stating that people in Langkat Regency who have good Financing Expectations will have high morale or enthusiasm in the desire to own a house, where all of that will lead to high expectations as well. The fourth hypothesis t h a t states that that Financing Expectations have an impact signi fi cant.

Financing Demand proves that the hypothesis is rejected. This means that Financing Expectations d o n o t have a significant effect on Financing Demand. Specifically , findings study that Financing Expectations have not been able to increase Financing Demand (Yu & Wang, 2021). The results of this study are in line with Montgomery, Squires & Syed (2018) who also showed that Financing Expectations have a positive and significant effect on Financing Demand and are the dominant factor influencing the Financing Demand of the community in Langkat Regency.

Conclusion

Based on the results of hypothesis testing, the conclusions that can be drawn from each hypothesis testing are first, Financing behaviour can increase Financing Supply. Second, Financing Behaviour can increase Financing Demand. Third, Financing Expectations can increase Financing Supply. Fourth, Financing Expectations have not been able to increase Financing Demand. There are several suggestions that can be used as recommendations for this research, namely for property developers to continue to provide an understanding of subsidised KPR financing from the start of the process to the occurrence of the financing contract in order to convince the public to meet housing needs. Future researchers can test similar research by adding independent variables that have not been discussed by researchers such as financial understanding, understanding of rules and so on. There needs to be an increase in the evaluation of Financing Expectations, due to the role of the community in managing planning, organising, implementing and evaluating the increase in Financing Demand.

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