



## **Aligning Middle-Class First-Time Homebuyers Preferences with Stakeholder Perception: A Comprehensive Study in North Balikpapan**

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### **Abstract**

*North Balikpapan District faces significant challenges in housing planning due to population growth and the establishment of the new capital city (IKN) in East Kalimantan. Achieving optimal housing provision requires synchronization between community preferences and stakeholder perceptions. This study aims to identify the priority gaps between both parties in housing selection. The Analytical Hierarchy Process (AHP) was employed to analyze community preferences, while interviews were conducted with four key stakeholders: the government, subsidized housing developers, commercial housing developers, and the housing developer association. Secondary data were sourced from a previous study that involved a community questionnaire. Findings reveal significant differences in priorities: communities prioritize availability of facilities and infrastructure, accessibility, and environmental comfort, whereas stakeholders emphasize financing and house design and quality. These misalignments could impact public satisfaction regarding their living environment and access to public facilities. The implications of this study highlight the importance of policy synchronization between the government and developers regarding housing, including financing and infrastructure development planning, to bridge this gap, ensuring more inclusive and sustainable housing development in line with the evolving needs of the community. The model derived from this study can be applied to regions experiencing rapid growth, where the majority of the population is of productive age and falls into the middle-income category, to meet the needs of the growing population better.*

*Keywords: Analytical Hierarchy Process, Community Preferences, Housing Selection, Stakeholders' Perceptions*

### **1. Introduction**

North Balikpapan District is currently facing significant challenges in housing planning, especially after the official announcement regarding the construction of the new capital city (IKN) in East Kalimantan.

As a region directly bordering the IKN area, North Balikpapan holds a strategic position, making it a focal point for housing and infrastructure development. The rapid population growth, with a rate of 1.6% per year in Balikpapan City (BPS Kota Balikpapan, 2023), has the potential to impact on increasing demand for housing (Makinde, 2014; Baqutaya et al., 2016; Marois et al., 2019). This district also plays an essential role as the main gateway from Sepinggan International Airport, enhancing the area's appeal to workers coming for the IKN project as well as residents looking to seize property investment opportunities (Tan, 2012; Ebekozién et al., 2020).

The increase in the number of new housing projects is a natural response to the surge in housing demand. However, without careful planning, the imbalance between housing demand and supply could potentially increase the housing backlog in Balikpapan, which saw a rise of 5.43% in 2020 (RPJMD Kota Balikpapan 2021-2026). Additionally, suboptimal planning could lead to environmental degradation and strain on local infrastructure, especially with the continuous population growth (Opoku & Abdul-Muhmin, 2010). In North Balikpapan District, which is planned to become the city's second sub-center, housing zones dominate with a 36% allocation (RDTR Kota Balikpapan 2021-2041). Therefore, it is crucial for the government and housing developers, as key stakeholders, to offer a variety of housing options that can cater to the needs of the community, particularly for first-time home buyers (Wildish, 2015; Hassan et al., 2021).

The demographics of North Balikpapan, where 72.5% of the population is of productive age (BPS Kota Balikpapan, 2023), indicate that many residents are entering independent living stages and are starting to think about housing needs (Valentina & Wijaya, 2022). Housing preferences are a crucial factor in home purchasing decisions, where factors such as location, price, and environmental quality have a significant influence (Khan et al., 2017). In this context, it is important to understand the gap between buyer preferences and developer perceptions. Previous studies have shown that in rapidly developing areas like North Balikpapan, housing must not only be affordable but also sustainable and tailored to the needs of both the local community and migrants (Chan, 2019; Ebekozién et al., 2020).

Collaboration between the government, developers, and local communities is essential to bridge the gap between housing demand and supply. As highlighted in research on sustainable housing, an inclusive multi-stakeholder approach is critical to ensuring that housing planning in North Balikpapan can be more sustainable and responsive to the evolving market needs (Czischke, 2017; Lang et al., 2018). Thus, fulfilling the housing needs in North Balikpapan District can only be achieved if there is proper synchronization between consumer preferences and the perceptions and priorities of stakeholders (Muktiwibowo & Anastasia, 2023; Thaker & Sakaran, 2016).

Although several studies have explored housing preferences and stakeholder perceptions separately (Azhar & Handayani, 2018; Chan & Adabre, 2019; Ezennia and Hoskara, 2021; Sekoh et al, 2023; Mulliner & Algrnas, 2018), there is limited research explicitly comparing these two perspectives in emerging strategic areas affected by new capital development, such as North Balikpapan. Although previous studies have examined various impacts of the development of the IKN, including environmental changes, spatial planning, and population mobility, there is a lack of focused research on how the development of the IKN will influence housing demand in nearby residential zones, particularly in North Balikpapan. Most existing literature addresses macro-level effects or concentrates on the core area of IKN itself (Hilal et al, 2024; Perdana, 2024; Rivandi & Pramono, 2024). Therefore, this study fills a significant research gap by specifically analyzing how IKN development could shift housing preferences, increase land use intensity, and alter residential density patterns in North Balikpapan, an area expected to experience secondary urbanization pressures. This study addresses this gap by providing a direct comparison between middle-class first-time homebuyers' preferences and stakeholder priorities, offering insights into how urban transformation influences housing dynamics.

## 2. Literature Review

### 2.1 *The Housing Demand and Supply Gap*

Ebekozien et al. (2020) in their research on the low-cost housing market in Malaysia identified five key factors influencing the housing demand and supply gap: ineffective housing policies, high construction costs, land constraints, affordability issues for low-income groups, and the mismatch between societal needs and available offerings. These findings align with the situation in North Balikpapan, where rapid urban development has not been matched by housing availability that corresponds with the purchasing power of the community, particularly for low- and middle-income groups (Ebekozen et al., 2020). Similar issues were noted in South Africa, where Butcher (2020) highlighted that despite the existence of an "affordable housing" market segment, high prices and ineffective policies rendered these homes inaccessible to most people, widening the housing demand and supply gap (Butcher, 2020).

To address this gap, Ebekozen et al. (2020) recommended several relevant policy solutions, such as a computerized open registration system to help low-income groups access housing and raising the house price caps to better align with people's purchasing power. Implementing such policies is crucial for North Balikpapan, where rapid urban growth needs to be supported by more inclusive and affordable housing planning (Ebekozen et al., 2020). Further research by Ebekozen (2021) in Nigeria showed that despite the growing demand for sustainable housing, the biggest challenge was the lack of adequate policies to support housing affordability and sustainability. Similar obstacles are evident in North Balikpapan, where limited land and rapid demand growth place immense pressure on the housing system (Ebekozen, 2021). Oyewole et al. (2021) emphasized that achieving sustainable housing requires a deeper understanding from stakeholders, particularly in developing countries like Nigeria. Awareness of the importance of housing sustainability and clearer policy support remain significant challenges (Oyewole et al., 2021).

Sustainability in housing development not only relates to energy efficiency and the use of environmentally friendly materials but must also encompass social and economic aspects. According to Chan et al. (2019), sustainable housing projects must consider several critical success criteria (CSC), such as occupant satisfaction, operational costs, and housing quality. This research is relevant to housing development in North Balikpapan, where long-term sustainability and community satisfaction are key to successful development (Chan et al., 2019). Mulliner & Algrnas (2018) also stressed that sustainable housing should take into account strategic location, accessibility, and a good quality of life. Evaluating housing affordability should not only be based on economic factors but must also consider social and environmental aspects holistically (Mulliner & Algrnas, 2018).

In the context of North Balikpapan, housing developers need to pay more attention to the importance of integrating location aspects, transportation access, and an environment that supports sustainability. By considering these factors, it is hoped that housing development in this area will not only meet the housing needs but also contribute to the development of more inclusive and sustainable communities.

### 2.2 *First-Time Homebuyer Preferences*

First-time homebuyer preferences in developing regions, such as North Balikpapan, are strongly influenced by several key factors, namely accessibility, affordability, sustainability, and social and cultural factors. A study by Tan (2012) in Kuala Lumpur found that accessibility to public facilities and a comfortable surrounding environment were the main considerations for first-time homebuyers. Moreover, an increasing number of buyers, especially the younger generation, are taking into account eco-friendly and sustainable aspects when choosing their homes (Tan, 2012). These preferences are particularly relevant in North Balikpapan, where many migrant workers and residents are seeking homes that are not only affordable but also support a sustainable lifestyle.

Research by Khan et al. (2017) confirmed that first-time homebuyers in Malaysia tend to prioritize affordable prices, strategic locations, and good accessibility. This is also relevant in the context of North Balikpapan, where housing demand is increasing along with economic and population growth.

Developers in this area should pay closer attention to these preferences to meet the needs of the growing market (Khan et al., 2017). Sustainability in housing is no longer just an additional attribute but has become one of the key factors considered by buyers, in terms of energy efficiency, environmentally friendly materials, and socio-economic aspects.

Chan et al. (2019) emphasized that housing sustainability should be measured through critical criteria, such as occupant satisfaction, operational costs, and housing quality. In the context of North Balikpapan, this is crucial to ensure that housing development not only meets short-term needs but also supports long-term community welfare (Chan et al., 2019). Mulliner et al. (2013) added that sustainability also includes collaboration between developers, governments, and communities to create optimal housing solutions that meet the long-term needs of the area (Mulliner et al., 2013).

Zinas and Jusan (2012) used the Means-End Chain (MEC) theory to analyze housing preferences more structurally, linking individual preferences to housing attributes with their ultimate goals. This approach can be applied to understand housing preferences in North Balikpapan, where migrant workers and local residents may have different goals, whether it be housing as a basic need or investment (Zinas & Jusan, 2012). This approach is also critical in the context of developing areas like North Balikpapan, where the diverse needs of the community must be well understood by developers.

Ezennia and Hoskara (2021) highlighted the importance of household preferences for sustainability, particularly in choosing environmentally friendly and sustainable housing. With increasing awareness of environmental issues, these preferences are also becoming more evident among the people of North Balikpapan. Developers need to be more responsive to these needs, especially as sustainability becomes a crucial part of home-buying decisions in developing regions (Ezennia & Hoskara, 2021).

Meanwhile, first-time homebuyer preferences are also strongly influenced by social and cultural factors. Jabareen (2005) found that in strong cultural contexts, such as in Gaza, kinship relations and social views influence housing choices. In North Balikpapan, the strong local cultural context also plays an important role in shaping housing preferences (Jabareen, 2005). Similarly, a study by Chen and Han (2015) in China showed that housing preferences are also influenced by district reputation and environmental safety. In North Balikpapan, the reputation of the area and adequate infrastructure will be determining factors in housing preferences (Chen & Han, 2015).

Overall, first-time homebuyer preferences in North Balikpapan are influenced by a combination of affordability, accessibility, sustainability, and cultural factors. To meet the increasingly dynamic market needs, developers and the government must respond to these preferences by offering affordable, eco-friendly, and culturally appropriate housing.

### **2.3 Comparative Studies on Housing Development Preferences**

Comparative studies play a crucial role in understanding the differences in stakeholder preferences in housing development, such as those of buyers, developers, and investors. Each group has different focuses and priorities, influencing housing market dynamics. Comparative studies have the key advantage of helping to understand housing market dynamics, particularly in different contexts. By comparing policies and stakeholder preferences, comparative studies can reveal significant differences in how parties respond to housing challenges based on local socio-economic conditions. Muktiwibowo and Anastasia (2023) found that in Surabaya, developers focus more on the physical quality and concept of housing, while consumers prioritize financial conditions and location. On the other hand, investors are more concerned with physical quality and the potential for property value appreciation in the future (Muktiwibowo & Anastasia, 2023; Santos et al., 2021). These differences highlight how each group views the benefits of a housing project based on economic motivation and market needs.

Differences in stakeholder policies and preferences in the housing market are heavily influenced by the region's socio-economic conditions. Sarioğlu-Erdoğan (2010) compared housing policies in Turkey and the Netherlands, where Turkish policies are more reactive to urgent needs due to migration to major cities, while the Netherlands focuses on controlling quality of life through strict regulations. This

demonstrates that housing strategies in each country are shaped by different local challenges. In Portugal, Santos et al. (2021) found differences in priorities between buyers and sellers, where buyers prioritize adequate space and a noise-free environment, while sellers emphasize positive externalities such as parking and accessibility. This gap reflects the presence of information asymmetry in the housing market, as also seen in Malaysia, where Thaker and Sakaran (2016) showed that the main factors influencing first-time homebuyers are location, price, developer reputation, and amenities. Comparative studies on housing development preferences reveal that diverse socio-economic and spatial factors significantly influence individual and community choices in housing (Mulliner & Algrnas, 2018).

A deep understanding of buyers' needs is essential for developers to respond effectively to the market, especially in fast-growing areas, as also highlighted by Hamdan et al. (2021) in the context of sustainable housing (Sarioğlu-Erdoğan, 2010; Santos et al., 2021; Thaker & Sakaran, 2016; Hamdan et al., 2021).

Moreover, the importance of collaboration between stakeholders in sustainable housing projects is reviewed by Hamdan et al. (2021). They emphasized that collaboration between developers, governments, and local communities can reduce the gap between planning and execution in sustainable housing projects. This collaboration is especially needed in rapidly developing areas, where sustainability becomes a critical issue in housing development (Hamdan et al., 2021; Santos et al., 2021). Thus, various comparative studies across different countries demonstrate that stakeholder preferences in housing development vary depending on local conditions, regulations, and market dynamics. Understanding these differences is crucial to optimizing sustainable housing development strategies that are responsive to the needs of all parties involved (Muktiwibowo & Anastasia, 2023; Thaker & Sakaran, 2016; Mulliner & Algrnas, 2018).

### 3 Methods

#### 3.1 Data Collection

This study is based on the findings of previous research (Pratama et al., 2024), which highlighted the preferences of middle-class first-time homebuyers and aimed to align public preferences with stakeholder perceptions in housing provision. The study explores the extent to which stakeholder perceptions contribute to bridging the gap between housing supply and public demand, while identifying potential mismatches that may impact the effectiveness of housing provision responsive to community needs.

Table 1: Percentage Weighting Based on Public Preferences

| Income per Month            | Number of Respondents | Variable                                      |                    |                       |                          |                    |
|-----------------------------|-----------------------|-----------------------------------------------|--------------------|-----------------------|--------------------------|--------------------|
|                             |                       | Availability of Facilities and Infrastructure | Accessibility      | Environmental Comfort | House Design and Quality | Financing          |
| < Rp4,000,000               | 161                   | 26% <sup>1</sup>                              | 21,5% <sup>2</sup> | 19% <sup>3</sup>      | 16,5% <sup>5</sup>       | 17% <sup>4</sup>   |
| Rp4,000,000 - Rp8,000,000   | 158                   | 24,4% <sup>2</sup>                            | 24,6% <sup>1</sup> | 18,4% <sup>4</sup>    | 18,7% <sup>3</sup>       | 13,9% <sup>5</sup> |
| > Rp8,000,000 -Rp12,000,000 | 27                    | 24,3% <sup>1</sup>                            | 20,7% <sup>3</sup> | 23,9% <sup>2</sup>    | 17,7% <sup>4</sup>       | 13,4% <sup>5</sup> |
| > Rp12,000,000              | 2                     | 19% <sup>3</sup>                              | 13,1% <sup>4</sup> | 21,4% <sup>2</sup>    | 43,8% <sup>1</sup>       | 2,7% <sup>5</sup>  |
| Overall                     | 378                   | 25,2% <sup>1</sup>                            | 22,8% <sup>2</sup> | 19,2% <sup>3</sup>    | 17,7% <sup>4</sup>       | 15,2% <sup>5</sup> |

Source: Pratama et al., 2024

Data collection to identify stakeholder perceptions in housing provision in the North Balikpapan District was conducted through interviews with four housing stakeholders as follows:

- The Housing Division of the Department of Housing and Settlements, Balikpapan City (Respondent 1).



- b. Subsidized Housing Developer (Respondent 2).
- c. Commercial Housing Developer (Respondent 3).
- d. Real Estate Indonesia (REI) Balikpapan Branch (Respondent 4).

### 3.2 Analysis Method

#### 3.2.1 Analytical Hierarchy Process (AHP)

To achieve comprehensive results and consensus from diverse stakeholders, the AHP method is used (Lakhani, 2019). AHP is a decision-making method that prioritizes several variables (Sekoh et al., 2023) by utilizing human perception (Azhar & Handayani, 2018). This method was applied to identify stakeholder perceptions in housing provision in North Balikpapan District. The following outlines the AHP analysis stages:

- a. Input  
The results of interviews with stakeholders are based on five variables: availability of infrastructure, accessibility, housing design and quality, financing, and environmental comfort. Respondents and stakeholders provide ratings using pairwise comparison, as shown in Table 2.

Table 2: Pairwise Comparison Rating Scale

| Importance Comparison | Technical Definition                                    |
|-----------------------|---------------------------------------------------------|
| 1                     | Both are equally important                              |
| 3                     | One element is slightly more important than the other   |
| 5                     | One element is quite important compared to the other    |
| 7                     | One element is much more important than the other       |
| 9                     | One element is absolutely more important than the other |

*Source: Sekoh et al. (2018) and Author (2024)*

- b. Process  
The data processing was conducted using the Expert Choice application, with the following stages:
  - a) Constructing a pairwise matrix to normalize the weight of importance for each element.
  - b) Establishing the priority of all elements based on the overall pairwise comparison results.
  - c) Checking consistency, where the consistency ratio (CR) must be below 10% to confirm valid calculations.
- c. Output  
The results obtained are the identification of stakeholder perceptions in housing provision in North Balikpapan District.

#### 3.2.2 Descriptive Comparative

This method was used to compare public preferences and stakeholder perceptions in selecting housing in North Balikpapan District. The following outlines the stages of the descriptive comparative analysis:

- a. Input  
Utilizing the results from the identification of public preferences in housing selection in North Balikpapan District and the identification of stakeholder perceptions in housing provision in the same area.
- b. Process  
The data processing involves comparing the available inputs according to their respective variables, followed by drawing conclusions for each variable.
- c. Output  
The results show a comparison of public preferences and stakeholder perceptions in housing selection in North Balikpapan District, highlighting differences in priorities.

## 4 Results and Discussion

### 4.1 Identification of Stakeholder Perceptions in Housing Provision in North Balikpapan District

Based on the perception of Respondent 1 (Fig. 1), the Housing Division of the Department of Housing and Settlements of Balikpapan City, the primary priority in housing provision in North Balikpapan District is the availability of infrastructure, with a weight of 0.566. The least prioritized variable is environmental comfort, with a weight of 0.019. These ratings were based on various considerations, mainly the government's role in providing the best housing for the public. Furthermore, the assessment was general and did not focus on specific types of housing, such as luxury, middle-class, or affordable housing. The type of housing can influence the variables prioritized in housing provision.

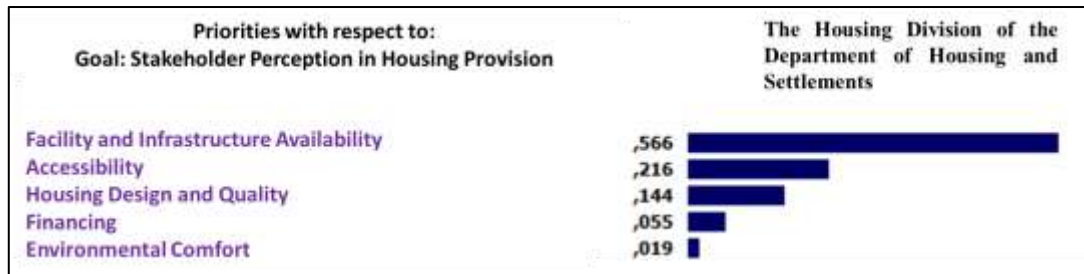


Figure 1: Priority Weighting According to Respondent 1

Respondent 2 (Fig. 2), a Subsidized Housing Developer, perceives that the primary priority in housing provision in North Balikpapan District is financing, with a weight of 0.492. The least prioritized variable is housing design and quality, with a weight of 0.044. The respondent emphasized that financing is the main priority, aligning with the developer's goal of helping low-income residents to own homes. Therefore, the provision of housing is aimed at making it as affordable as possible for low-income groups.

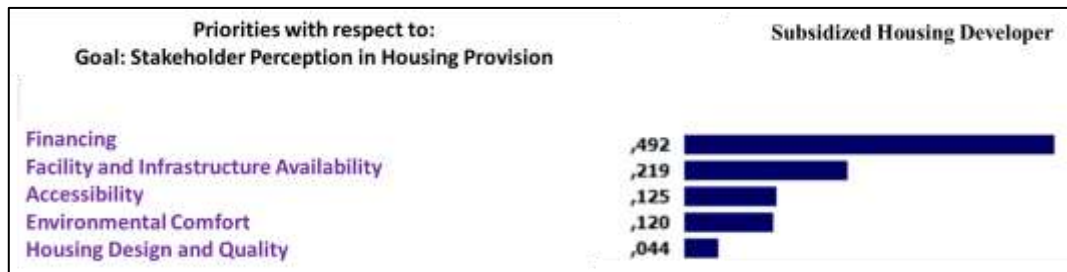


Figure 2: Priority Weighting According to Respondent 2

On the other side, the perception of Respondent 3 (Fig. 3), a Commercial Housing Developer, the primary priority in housing provision in North Balikpapan District is housing design and quality, with a weight of 0.579. The least prioritized variable is the availability of infrastructure, with a weight of 0.048. The respondent stated that when purchasing a house, the public tends to prioritize good design and housing quality, along with affordable financing. Additionally, the availability of infrastructure will improve as housing.

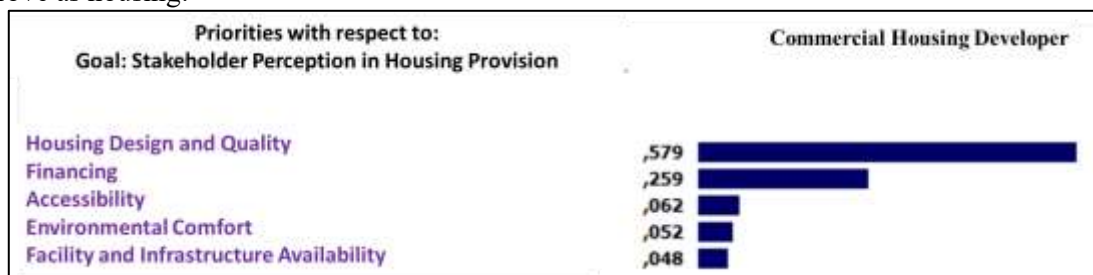


Figure 3: Priority Weighting According to Respondent 3

Based on the perception of Respondent 4 (Fig. 4), REI Balikpapan Branch, in housing provision in North Balikpapan District, all variables hold equal importance. The respondent noted that several factors should be prioritized in housing provision, including land geography, land prices, and government regulations and laws.

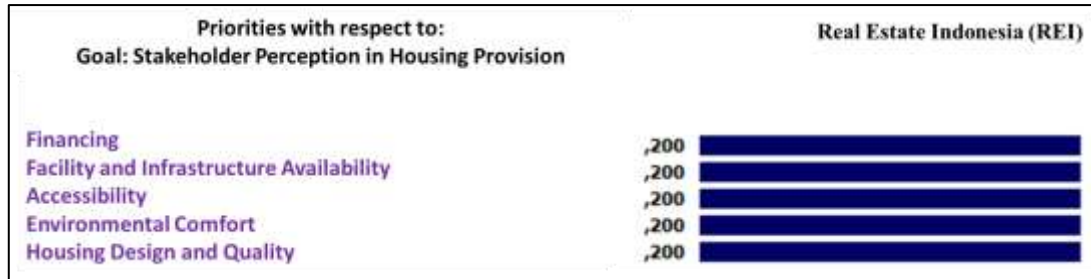


Figure 4: Priority Weighting According to Respondent 4

Referring to the four respondents' answers, the combined priority weighting of stakeholder perceptions is displayed in Figure 5.

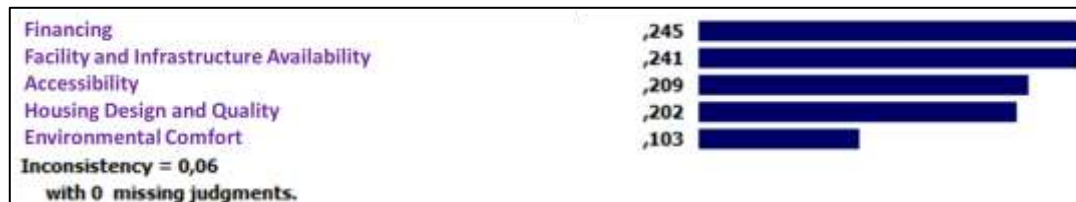


Figure 5: Composite Priority Weighting of Five Stakeholders in Housing Selection in North Balikpapan District

It is clear that the primary priority of stakeholders in housing provision in North Balikpapan District is financing, with a weight of 0.256, while the least prioritized variable is environmental comfort, with a weight of 0.087. The percentage of priority weightings based on stakeholder perceptions is shown in Table 3.

Table 3: Percentage of Priority Weightings Based on Stakeholder Perceptions

| Stakeholder                  | Variable           |                                          |                            |                    |                       |
|------------------------------|--------------------|------------------------------------------|----------------------------|--------------------|-----------------------|
|                              | Financing          | Facility and Infrastructure Availability | Housing Design and Quality | Accessibility      | Environmental Comfort |
| The Housing Division         | 5,5% <sup>4</sup>  | 56,6% <sup>1</sup>                       | 14,4% <sup>3</sup>         | 21,6% <sup>2</sup> | 1,9% <sup>5</sup>     |
| Subsidized Housing Developer | 25,9% <sup>2</sup> | 4,8% <sup>5</sup>                        | 57,9% <sup>1</sup>         | 6,2% <sup>3</sup>  | 5,2% <sup>4</sup>     |
| Commercial Housing Developer | 49,2% <sup>1</sup> | 21,9% <sup>2</sup>                       | 4,4% <sup>5</sup>          | 12,5% <sup>3</sup> | 12% <sup>4</sup>      |
| REI                          | 20%                | 20%                                      | 20%                        | 20%                | 20%                   |
| Overall                      | 25,6% <sup>1</sup> | 23,9% <sup>2</sup>                       | 22,8% <sup>3</sup>         | 19,1% <sup>4</sup> | 8,7% <sup>5</sup>     |

Each stakeholder has different priorities in housing provision in North Balikpapan District, influenced by their respective interests and objectives. The government, tasked with improving public welfare, tends to focus more on the availability of infrastructure or basic needs for the community. Meanwhile, commercial housing developers prioritize housing design and quality, making commercial housing more



suitable for higher-income individuals or those prioritizing aesthetics and quality. Such housing is ideal for people seeking homes that reflect dignity and status. On the other hand, subsidized housing developers prioritize financing, making it suitable for low-income individuals who prioritize affordability in homeownership.

To ensure the reliability of the pairwise comparisons, following Saaty's criteria, only matrices with a CR value below 0.1 were accepted, ensuring consistency and validity of the judgments. Additionally, each interview was structured to follow a standardized pairwise comparison matrix format, minimizing subjective interpretation during data input.

#### 4.2 Comparison of Public Preferences and Stakeholder Perceptions in Housing Selection in North Balikpapan District

It is found that there are priority differences between public preferences and stakeholder perceptions regarding housing selection in North Balikpapan District, as seen in Fig. 6. For the infrastructure availability variable, the public ranks it as the first priority, while stakeholders place it as the second. The weight difference between the two is minor, at 0.013. In the case of accessibility, the public ranks it as the second priority, while stakeholders rank it fourth, with a slightly larger weight difference of 0.037. For environmental comfort, the public ranks it third, while stakeholders place it fifth. Meanwhile, for housing design and quality, the public ranks it fourth, while stakeholders prioritize it as third. Finally, in the case of financing, the public places it as the lowest priority (fifth), whereas stakeholders rank it as the highest priority (first).

According to public preferences, infrastructure availability is the top priority. This preference may be influenced by the location of housing in North Balikpapan District, which is situated on the city's outskirts. Consequently, the public perceives that the availability of infrastructure in North Balikpapan is still incomplete. On the other hand, stakeholders also consider infrastructure availability important, ranking it second. This difference indicates that there is a disparity between public and stakeholder views, which could result in the public's infrastructure needs not being fully met by stakeholders. However, given the small difference in priority weighting, stakeholders will likely make efforts to address the public's primary needs by providing adequate infrastructure within housing developments. Nonetheless, from the stakeholders' perspective, infrastructure provision is secondary to financing, and as such, infrastructure availability will depend on the financing available for housing projects. Despite this, housing needs in North Balikpapan District are likely to be met even if there are differences in opinion between the public and stakeholders.



Figure 6: Comparison of Public Preferences and Stakeholder Perceptions in Housing Selection in North Balikpapan District

The infrastructure availability variable is also closely tied to accessibility, which includes ease of access to facilities, proximity to workplaces, and transportation options. The public ranks accessibility as the second priority, indicating their desire for housing located in areas with easy access. Meanwhile, stakeholders rank accessibility as the fourth priority. This is supported by the fact that housing development in North Balikpapan District benefits from primary arterial and secondary collector roads, which facilitate transportation. Additionally, with plans to develop Karang Joang Village, North Balikpapan District is expected to become the city's second center and be in close proximity to the new capital city, further increasing future accessibility. Thus, despite the differing priorities between the public and stakeholders, the public's needs for accessibility in housing selection will likely be met in the future.

In terms of environmental comfort, the public places this as the third priority. They consider it important, following infrastructure availability and accessibility, when selecting housing in the North Balikpapan District. This is supported by the fact that the district is located in an industrial zone, leading to concerns about poor air quality and increased noise levels. On the other hand, stakeholders rank environmental comfort as the least important (fifth priority). Stakeholders believe this variable is not as crucial in housing provision and prioritize other variables. The difference in opinions between the public and stakeholders regarding environmental comfort could result in dissatisfaction, as housing is meant to be a refuge. Consequently, the public's need for environmental comfort may go unmet. Therefore, the public is more likely to choose housing in the North Balikpapan District that offers a greener, more serene environment. To address this, stakeholders should consider improving environmental comfort by creating more green spaces (Green Open Spaces or RTH) to enhance air quality. Green spaces also provide social benefits, improving the overall comfort of the housing environment.

Regarding housing design and quality, the public ranks it fourth, indicating that design and quality are not the top priorities when selecting housing in North Balikpapan District. The public is more focused on infrastructure availability, accessibility, and environmental comfort, which are more related to fulfilling everyday life needs. However, stakeholders rank housing design and quality as the third priority, showing that they still consider this variable important in housing provision. The disparity between public and stakeholder opinions suggests that the public may look for housing that prioritizes the variables they consider more important. Therefore, stakeholders should place greater emphasis on addressing the public's needs in housing selection to ensure that housing provision aligns with the public's expectations.

In contrast to stakeholders, the public ranks financing as the least important variable in housing selection in North Balikpapan District. This suggests that the public places greater importance on other variables, believing that once those variables are met, financing will follow. Additionally, the availability of mortgage financing (KPR) systems, with numerous offers from housing developers, facilitates the public's access to affordable housing. Stakeholders, however, prioritize financing as the most important factor, indicating their focus on making housing accessible to a broader segment of society. This approach aligns with stakeholders' efforts to provide various financing options to help meet the public's housing needs. However, this emphasis on financing contrasts with the public's prioritization of infrastructure availability and accessibility. As a result, other variables may not receive the same level of attention from stakeholders. Thus, while stakeholder efforts to address the public's financing needs are commendable, more attention should be given to the variables that the public prioritizes.

The findings indicate a significant gap between public preferences and stakeholder perceptions in housing selection in North Balikpapan District. The public tends to prioritize infrastructure availability and accessibility, whereas stakeholders focus more on financing and housing design and quality. This misalignment suggests that basic public needs, such as access to adequate infrastructure and transportation, may not be fully addressed if housing planning is primarily centered on financial factors highlighted by stakeholders.

Furthermore, stakeholders' focus on financing as the primary factor reflects their emphasis on the economic aspects of housing provision, especially in reaching a wider market. However, if this focus is not balanced with improvements in infrastructure quality and accessibility, the public's perception of comfort in their living environment may be negatively impacted. The gap between public and stakeholder views on environmental comfort, with the public ranking it third and stakeholders last, highlights the need for adjustments in green space planning and urban design to meet public expectations. Another implication of these findings is the need for policy synchronization between developers and local governments to ensure that housing development in North Balikpapan District meets public needs, especially for first-time homebuyers who are becoming increasingly concerned with environmental aspects, accessibility, and infrastructure availability.

Compared to previous studies, our research highlights stakeholder perspectives that emphasize financing, design, comfort, and infrastructure as the most critical factors influencing housing development in North Balikpapan. This aligns partially with Mulliner and Algrnas (2018), who also underline affordability (financing), design quality, and comfort as key housing criteria, though their study places stronger emphasis on environmental performance and sustainability, aspects not prominently featured in our stakeholder assessments. Meanwhile, Muktiwibowo and Anastasia (2023) reveal that developers prioritize financing and design flexibility but tend to underemphasize comfort and infrastructure—indicating a disconnect between developers and end-user needs. In contrast, our findings suggest a more balanced stakeholder perspective that aligns more closely with both policy and resident interests, particularly by recognizing infrastructure and comfort as integral to housing satisfaction, especially in the context of anticipated urban transformation due to the IKN development.

In North Balikpapan, the mismatch can be attributed to the different risk perceptions: stakeholders are highly sensitive to financing risks, while the public views environmental and infrastructural aspects as crucial for daily life. Moreover, economic pressures push developers to prioritize quick financial returns. Therefore, bridging this gap requires policy measures that incentivize balanced priorities, such as mandating a minimum standard for infrastructure development and integrating environmental sustainability into housing permits.

## 5 Conclusion

This study used the Analytical Hierarchy Process (AHP) and descriptive comparative methods to identify and compare public preferences and stakeholder perceptions in housing selection in North Balikpapan District. Primary data were obtained through interviews with four key stakeholders—government officials, subsidized housing developers, commercial housing developers, and developer associations—while secondary data were drawn from previous research using public questionnaires. The findings reveal significant priority differences between the public and stakeholders. The public prioritizes infrastructure availability, accessibility, and environmental comfort as key factors in housing selection, while stakeholders focus on financing and housing design and quality. This discrepancy highlights a perceptual gap that could affect the quality of housing provision that meets public needs. This misalignment could negatively impact public satisfaction with their living environment, particularly regarding access to public facilities and environmental comfort. Therefore, policy synchronization between the government, developers, and other stakeholders is needed to bridge this gap and ensure more inclusive and sustainable housing development. This study is limited by the number of stakeholders interviewed, which may not capture the full diversity of perspectives in the housing sector. Moreover, the research focuses only on North Balikpapan and may not be fully generalizable to other regions with different socio-economic contexts. Future research should consider expanding the stakeholder base, including financial institutions, and applying longitudinal methods to observe preference changes over time.

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