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The Moderating Role of Government Public Policy on Housing Purchase Decisions in Tasikmalaya

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ABSTRACT

The housing industry is experiencing an increase in demand, especially subsidized housing. Various factors are the main considerations for consumers in determining purchasing decisions such as environment, green open space (GOS), price, and location. The object of this research is four subsidized housing in Tasikmalaya Regency. This model measures government public policy as a moderating in deciding to buy a subsidized house. This study uses primary data in the form of a Likert scale questionnaire to measure each variable. The sample determination technique uses Proportionate Stratified Random Sampling. This research method uses SEM-PLS (Structural Equation Modeling-Partial Least Square). The results showed that government policy has a moderating role for the environment on housing purchase decisions. Environment, GOS, and price have a direct impact on purchasing decisions. The implication of this finding will be the establishment of supporting facilities related to the location of subsidized housing. In this case, the government needs to ensure that public facilities are available before the subsidized housing project is implemented.

Keywords: Environment; Government Policy; Green Open Space; Housing Purchase Decisions; Price

INTRODUCTION

The decision to purchase subsidized housing has become increasingly significant as demand for affordable housing grows amidst Indonesia's housing backlog. Recent data from the Ministry of Public Works and Public Housing shows that the housing backlog reached approximately 7.6 million units in 2021. Highlighting the urgent need for accessible housing options for low- and middle-income families. Subsidized housing programs have been introduced to bridge this gap, offering homes at fixed, affordable prices with low interest rates and down payments. These programs are designed to help low-income individuals and families secure stable housing, yet various factors influence their purchase decisions, including the neighborhood environment, availability of green open space (GOS), pricing, and location.

Understanding the factors that drive or inhibit these purchasing decisions is crucial for improving policy effectiveness and addressing the housing shortage (Liu & Ong, 2021). Although government initiatives aim to alleviate affordability constraints, external elements such as the physical environment, amenities, and accessibility also play a significant role in shaping buyers' preferences. Additionally, public policy acts as a moderating factor that can enhance or limit the impact of these external factors on purchasing decisions. Given these dynamics, it is essential to explore how these elements collectively affect the decision-making process for potential buyers in subsidized housing markets.

The influence of the surrounding environment on subsidized housing purchase decisions is well-documented in housing research, underscoring the importance of safety, cleanliness, and accessibility to green spaces as key factors in residential choice, According to a study from Zrobek et al. (2015), neighborhood environmental factors, including the presence of GOS and low crime rates, significantly impact buyers' perception of property value and, consequently, their purchasing decisions. This is particularly relevant in subsidized housing, where prospective buyers, often limited by income, prioritize quality-of-life aspects offered by their surroundings to make long-term investments viable. These features provide recreational open spaces and promote health benefits, which align with the needs and preferences of these buyers. Research indicates that when the surrounding environment meets these criteria, buyers are more likely to commit to purchasing, as these factors compensate for the limited customization and smaller property sizes often associated with subsidized housing (Nugraha et al., 2020). Thus, the environment emerges as a critical determinant, influencing not only immediate purchase decisions but also long-term residential satisfaction among subsidized housing residents.

GOS plays a significant role in influencing subsidized housing purchase decisions, as they are increasingly valued for their contributions to physical and mental well-being, especially in urban areas with limited outdoor amenities. Studies indicate that the presence of GOS enhances property attractiveness by offering recreational opportunities, reducing noise, and improving air quality, all of which are critical factors for prospective homeowners (Arnberger & Eder, 2012; Czembrowski & Kronenberg, 2016; Wolch et al., 2014). For buyers in subsidized housing markets—who often prioritize affordable yet quality living environments access to nearby GOS can significantly impact their willingness to invest in a property, as it directly contributes to an improved quality of life. Moreover, GOS has been shown to increase perceived property value and satisfaction among residents, which is particularly pertinent to low-income buyers seeking affordable yet appealing homes. GOS not only serves as a key environmental amenity but also positively affects buyer perceptions of community engagement, aesthetics, and overall residential desirability. Consequently, the presence

of GOS in subsidized housing projects can be a decisive factor, enhancing residential appeal and aligning with buyers' long-term preferences for livable, sustainable neighborhoods.

Price remains a primary factor in the decision to purchase subsidized housing, especially among low- to middle-income buyers who are highly sensitive to affordability. Subsidized housing programs in Indonesia aim to address this need by offering fixed, below-market prices with low interest rates and minimal down payments, making homeownership more accessible for those with limited financial resources. These pricing strategies have been essential in reducing the housing backlog, which was reported to be around 7,6 million units. Studies show that price stability in subsidized housing fosters financial confidence among potential buyers, significantly influencing their decision to invest (Makinde, 2014).

Furthermore, research indicates that price sensitivity in this market segment is closely tied to overall economic stability and income predictability. Buyers are more likely to commit to purchasing when pricing structures remain consistent, as fluctuating costs create additional barriers for low-income households. The affordability factor not only aligns with buyers' financial capacities but also enhances perceived value, as the subsidized cost encourages them to view homeownership as an achievable long-term investment. Consequently, the price structure in subsidized housing emerges as a decisive factor, profoundly shaping purchasing decisions among economically constrained buyers.

Location is a critical determinant in subsidized housing purchase decisions, as it directly impacts accessibility, convenience, and the long-term value perceived by prospective buyers. According to the classical Location Theory, pioneered by Alfred Weber, buyers tend to favor residential areas that minimize the costs and time associated with commuting to workplaces, schools, and essential services. For low- to middle-income individuals, who are the primary market for subsidized housing, proximity to urban centers or essential infrastructure greatly influences their choice, as convenient access to these areas is linked to quality of life (Vu & Preston, 2020). Empirical research supports that location factors such as access to public transportation, availability of nearby amenities, and neighborhood safety are significantly associated with increased attractiveness in subsidized housing. Studies indicate that when subsidized housing is situated in areas with better connectivity and essential services, buyers are more likely to perceive it as a valuable and viable option for long-term residency. Thus, location emerges as a pivotal factor, affecting both the immediate purchasing decision and the sustained satisfaction of buyers within subsidized housing markets.

LITERATURE REVIEW

Purchase intentions in consumer behavior research provide a conceptual foundation for understanding the decision-making process (Imran et al., 2024; Sutiono et al., 2024). One of the most influential theories is the Theory of Planned Behavior (TPB) (Ajzen, 1991). TPB explains that a person's intention to perform an action, including buying, is influenced by three main factors: attitude toward behavior, subjective norms, and perceived behavioral control. These three factors collectively influence the likelihood of the action occurring. Attitude toward behavior reflects an individual's positive or negative evaluation of an action. Subjective norms reflect the social pressure individuals feel from important people around them, such as family or friends. Perceived behavioral control refers to an individual's perception of the ease or difficulty of performing a particular action, such as buying a product. The product referred to in this study is subsidized housing.

In Indonesia, subsidized housing is a government initiative that offers affordable homes. Responding to an increasing housing shortage, the government partnered with private developers and banks in 2010 to introduce this program. It provides low-income individuals with access to affordable homes, featuring meager interest rates and minimal down payments (Rahmi et al., 2023; Suhandi & Terttiaavini, 2020).

Multiple studies have found that the surrounding environment is a key determinant in buyers' choices (Kenn et al., 2021; Zeng, 2013). Environmental considerations can positively impact purchase decisions and post-purchase satisfaction. The impact of environmental factors on housing prices has been observed, with perceived pollution problems affecting property values (Montero et al., 2018). The relationship between environmental quality and housing prices was also examined, where a strong positive correlation was observed between environmental quality index levels and housing sale prices at the district level. Other influential factors include location attributes, aesthetics, and government policies. Demographic variables such as age, marital status, education, occupation, and family status also play a role in housing decisions. These findings suggest that developers and policymakers should consider environmental factors when planning future housing developments to meet buyer preferences and maximize satisfaction.

Urban green space significantly increases property values for terraces and apartments (Turner & Seo, 2021). Open spaces and house prices emphasize the importance of cleanliness and maintenance. Lin and Wachter (2020) demonstrated that greening vacant lots increased nearby house prices effectively neutralizing the negative impact of vacant land. Proximity to GOS positively impacts housing prices. Studies in Portland, Oregon, and central Maryland found that homes near parks, natural areas, and golf courses generally commanded higher sale prices (Bolitzer & Netusil, 2000; Lutzenhiser & Netusil, 2001). The type and size of open space influence its effect on property values, with natural area parks and specialty parks having the most significant positive impact. Permanently preserved open spaces are valued more than developable agricultural or forested lands, suggesting that the absence of development is a key factor in open space valuation (Irwin, 2002). Additionally, there is evidence of substitutability between private and public green spaces, and willingness to pay for open space varies based on household characteristics.

Research on housing purchase decisions reveals that price is a significant factor influencing consumer choices. Price has been found to significantly influence housing purchase decisions, both individually and in combination with other factors (Sukmana et al., 2019). A study on subsidized housing revealed a significant correlation between price and purchasing decisions. However, research in Kendari City showed mixed results, with price being the only significant factor among location, product quality, and promotion in influencing consumer decisions (Ningtyas et al., 2023). Price consistently emerges as a significant determinant, with higher-priced houses often attracting investors due to promising returns (Dananjoyo et al., 2020). Other Financial considerations such as income and credit accessibility also play crucial roles in investors' decisions. These findings offer valuable insights for marketers and policymakers in the housing industry, highlighting the need for comprehensive strategies addressing multiple factors to influence consumer choices effectively. Underscore the importance of price in shaping consumer choices in the housing market and provide valuable insights for marketers and practitioners in the industry.

Location plays a significant role in housing purchase decisions, as evidenced by several studies. Strategic locations that are easily accessible and close to work, public facilities, and government services increase customer satisfaction and influence buying decisions

(Nursoleh, 2022; Saragih, 2020). Strategic locations, characterized by accessibility to work, public facilities, and government services, are particularly attractive to consumers, The impact of location on purchase decisions can be both direct and indirect, with location affecting customer satisfaction through purchasing decisions. While location is a crucial factor, it is not the sole determinant of housing purchases. Other factors such as price, promotion, and product quality also play important roles (Suprianto et al., 2014). A study in Tasikmalaya further confirmed that location, along with promotion and lifestyle, positively and significantly influences housing purchase decisions (Syiroj et al., 2023). Demographic characteristics, such as age, marital status, education, and occupation, also play a role in shaping preferences for location-based amenities and services (Mang et al., 2018; Zeng, 2013). The relative importance of location varies, with one study finding it accounts for about one-third of purchase decisions.

Government policies significantly influence housing purchase decisions. Consumer motivation and trust also play crucial roles in property purchasing decisions, with consumer attitudes moderating these effects. The housing purchase restriction policy in Indonesia reduced housing prices and transaction amounts, particularly in first- and second-tier cities and highly urbanized areas. During the COVID-19 pandemic, government policies moderated the relationship between low-cost housing demand-supply gap and pandemic impacts, highlighting the importance of policy interventions in mitigating housing-related issues during crises. These studies collectively demonstrate the significant role of government policies in shaping housing markets and purchase decisions, especially during economic fluctuations and global crises.

RESEARCH METHOD

This study was carried out in four subsidized housing areas located in Singaparna District, Tasikmalaya Regency, namely Bale Resik, Margamulya, Cintaraja, and Asri Residence. The research variables include housing purchase decisions as the dependent variable, with the environment, GOS, price, and location as independent variables, and government public policy as the moderating variable. Details of the variables and their indicators are provided in Table 1.

Table 1. Operational Variables

Variables and Source	Indicator	Measurement
Housing Purchase decisions (Armstrong et al., 2014; Prihandoyo et al., 2015)	Needs	Ordinal
	Choice Evaluation	
	Housing Developer`s Track Record	
	Comparison facilities and access	
	Seeking information	
	Recommend to other	
Environment (Kenn et al., 2021; Montero et al., 2018)	Access to main roads	Ordinal
	Health Facility	
	Higyene Facility	
	Social and Community facility	
	Water and electricity facility	
	Air Facility	
GOS (Lin & Wachter, 2020; Turner & Seo, 2021)	Air quality	Ordinal
	Parks and Open space	
	Ecosystem Sustainability	
	Anti-flood infiltration function	
	Contribution of GOS to life	
Price (Supriyono et al., 2015)	Competitive	Ordinal
	Comfort and Facilities	

	Down Payments	
	Additional cost	
	Price comparison	
	Price suitability	
	Price affordability	
Location (Senggetang et al., 2019)	Strategic	Ordinal
	Main road access	
	Near education and worship facilities	
	Shopping facilities	
	Ease of getting housing	
Public Policy (Davis et al., 2020; Wu & Li, 2018)	Mortgage interest rate	Ordinal
	Ease of terms	
	Benefits of mortgage interest rate	
	Amount of installment	
	Land and Building Tax Subsidy	

The sampling technique for this study used Proportionate Stratified Random Sampling. The number of samples based on Proportionate Structured Random is as follows:

Table 2. Research Sample

Housing Area	Number of Household	Proportional
Bale Resik	90	12
Margamulya	830	113
Cintaraja	580	79
Asri Residence	40	6
Total	210	

Based on the results of the Proportionate Stratified Random Sampling calculation in Table 2, the sample size for this study was 210 respondents.

This research uses both primary data. Primary data was collected from several questionnaires distributed to residents living in the four designated subsidized housing units. This research tests with the Partial Least Square - Structural Equation Modelling (PLS-SEM) method. This method can explain the influence between variables and analyze them in one test. This method is measured using indicators attached to each latent variable.

The stages of this data analysis technique are divided into 3 analyses, namely outer model analysis, inner model, and hypothesis testing. Outer model analysis to determine convergent validity, composite reliability > 70, Average Variance Extracted (AVE) > 0.50, and Discriminant Validity (Sarstedt et al., 2021). Inner model analysis to determine the goodness of fit value, coefficient of determination (R^2), effect size (f^2), and prediction relevance (Q^2). While hypothesis testing to determine the causal relationship between the independent variable and the dependent variable.

RESULTS

Outer Model

Evaluation of construct validity is done by calculating convergent validity. Convergent validity is known through the loading factor value. The construct is said to fulfill convergent validity if the indicators on the construct have a minimum factor loading value of 0.50 and a preferable 0.70 (Hair Jr et al., 2014), The results of convergent validity testing are presented in the following table:

Table 3. Convergent Validity Results

Variable	Indicator	Factor Loading
Environment (ENV)	ENV4	0.960
	ENV5	0.940
Green Open Space (GOS)	GOS1	0.861
	GOS2	0.966
	GOS4	0.958
	GOS5	0.941
Price (PRC)	PRC2	0.943
	PRC3	0.906
	PRC4	0.902
	PRC6	0.826
Location (LOC)	LOC4	0.992
	LOC5	0.992
Housing Decision Purchase (HPD)	HPD1	0.947
	HPD2	0.923
	HPD6	0.821
Government Policy (GP)	GP4	0.920
	GP5	0.918

Source: Data Processed (2024)

Based on Table 3 above, all indicators have produced a loading factor value of ≥ 0.7. Thus, based on convergent validity, all indicators are declared valid to measure their variables.

Reliability and Average Variance Extracted (AVE) Test

Validity and reliability criteria can be determined based on the Average Variance Extracted (AVE) value, declared valid with an AVE value above 0.50, and the construct is declared to have high reliability if it has a Cronbach's Alpha value greater than 0.60 and a composite reliability of more than 0.70. The results of the validity and reliability calculations can be seen through the summary presented in the following table:

Table 4. Reliability dan Average Variance Extracted (AVE) Test

Variable	Cronbach's Alpha	Composite Reliability	Average Extracted (AVE)
Environment	0.894	0.949	0.903
GOS	0.950	0.964	0.869
Government Policy	0.816	0.916	0.845
Housing Purchase Decision	0.879	0.926	0.808
Location	0.983	0.992	0.983
Price	0.917	0.942	0.802

Source: Data Processed (2024)

Based on Table 4 above, all variables produce an AVE value > 0.5; Cronbach alpha value greater than 0.6; and composite reliability value greater than 0.7. Thus, based on the calculation of the AVE value, all indicators are declared convergently valid, and based on the Cronbach alpha value and the composite reliability value, all indicators are declared reliable in measuring their variables.

Discriminant Validity

Discriminant validity is employed to evaluate the precision of a reflective model. It can be measured using several methods, including the Fornell-Larcker criterion (√AVE), cross-loadings, and the Heterotrait-Monotrait Ratio (HTMT) correlation (Hair Jr, 2014). According to the Fornell-Larcker criterion, discriminant validity is confirmed when the

square root of the average variance extracted (√AVE) for each construct exceeds the correlations with other constructs (Hair Jr et al., 2011; Mittal & Sharma, 2019; Zeng, 2013). In addition to convergent validity, it is also important to see discriminant validity, which is a value that shows the number where a construct has a difference with other constructs based on an empirical basis and states that a construct is unique in capturing phenomena that other constructs cannot explain (Sarstedt et al., 2021). Measurement can be done using the Fornell-Larcker criterion which produces a root average variance extracted number that must be greater than its value for other constructs.

Table 5. Fornell-Larcker

Variable	ENV	GOS	GP	HPD	LOC	PRC
Environment	0.950					
GOS	0.555	0.932				
Government Policy	0.425	0.638	0.919			
Housing Purchase Decision	0.724	0.753	0.560	0.899		
Location	0.379	0.547	0.503	0.535	0.992	
Price	0.568	0.740	0.616	0.718	0.707	0.895

Source: Data Processed (2024)

Table 6. Heterotrait-Monotrait Ratio (HTMT)

Variable	ENV	GOS	GP	HPD	LOC	PRC	GPxLOC	GPxENV	GPxPRC	GPxGOS
ENV										
GOS	0.810									
GP	0.491	0.800								
HPD	0.592	0.717	0.712							
LOC	0.401	0.562	0.561	0.795						
PRC	0.618	0.787	0.653	0.572	0.753					
GP x LOC	0.003	0.300	0.128	0.114	0.134	0.409				
GP x ENV	0.077	0.032	0.353	0.113	0.002	0.058	0.891			
GP x PRC	0.036	0.347	0.147	0.142	0.242	0.285	0.333	0.450		
GP x GOS	0.018	0.362	0.112	0.151	0.256	0.354	0.836	0.422	0.828	

Source: Data Processed (2024)

Based on the measurement of Discriminant Validity with the Fornell-Larcker criterion in Tables 5 and 6 above, the root value of the average variance extracted (AVE) produces a value greater than the correlation value on other constructs. Thus, it can be stated that these indicators are valid in forming latent constructs, thus fulfilling discriminant validity.

Inner Model

The evaluation of the structural model, also known as the inner model, involves assessing the goodness of fit by examining the coefficient of determination, predictive relevance, and hypothesis testing. These aspects are explained in detail as follows:

Goodness of Fit Test

In SEM-PLS analysis, the parameters of the measurement model and the structural model are estimated simultaneously and must comply with the requirements of model fit. This study evaluates model fit using the Standardized Root Mean Square Residual (SRMR), which assesses how well the proposed model aligns with the data. SRMR is calculated based on the difference between the observed correlation matrix and the model's implied correlation matrix. SRMR represents the average size of the discrepancies between these matrices, where a smaller SRMR indicates a better fit. A model is considered acceptable if the SRMR is ≤ 0.10 or ≤ 0.08, as suggested (Hu & Bentler, 1999). The estimation results and model fit using the Smart PLS application program can be seen below.

Table 7. Goodness of Fit Test

Criteria	Saturated Model	Estimated Model	Cut-off Value	Model Evaluation
SRMR	0.088	0.092	≤ 0.10	Passed

Source: Data Processed (2024)

Table 7 shows that the goodness of fit criteria using the Standardized Root Mean Square Residual (SRMR) have met the cut-off value, it can be concluded that the evaluation results show a good model. This explains that the model used in this study produces the level of estimation as expected. Thus, this model is a model that is suitable for explaining the relationship between variables in the model.

Coefficient of Determination (R^2) Test

The Coefficient of Determination (R^2) is utilized to assess the extent to which endogenous variables account for the variability of exogenous variables. In other words, it evaluates the contribution of exogenous variables to endogenous variables. The R^2 results are presented in the following table.

Table 8. Test Coefficient of Determination

Dependent Variable	R-square	Adjusted R-square
Housing Purchase Decisions	0.750	0.748

Source: Data Processed (2024)

Table 8 shows that the adjusted R-square value is 0.748 or 74.8%. This shows that the diversity of the Housing Purchasing Decision variable can be explained by the Environment, GOS, Price, Location, and Government Policy variables by 74.8%. While the remaining 25.2% is the contribution of other variables not discussed in this study.

Effect Size (F^2)

Effect Size (f^2) is used to determine the proportion of variance of exogenous variables to endogenous variables. The results of f2 can be seen in the following table:

Table 9. Effect Size (f^2)

Variable Correlation	f2	Criteria	Result
Environment -> Housing Purchase Decisions	0.228	≥ 0.02 (small) ≥ 0.15 (moderate) ≥ 0.35 (big)	Moderate
GOS -> Housing Purchase Decisions	0.179		Moderate
Government Policy -> Housing Purchase Decisions	0.026		Small
Location -> Housing Purchase Decisions	0.022		Small
Price -> Housing Purchase Decisions	0.059		Moderate
Government Policy x Location -> Housing Purchase Decisions	0.031		Small
Government Policy x Environment -> Housing Purchase Decisions	0.065		Small
Government Policy x Price -> Housing Purchase Decisions	0.021		Small
Government Policy x GOS -> Housing Purchase Decisions	0.041		Small

Source: Data Processed (2024)

The results in Table 9 showed that the influence between variables that produced an effect in the moderate category includes environment, GOS, and price on housing purchasing decisions. This indicates that the variables of environment, GOS, and price play a fairly important role in housing purchase decisions. Meanwhile, the influence between variables that produces an effect size in the small category includes

government policy on housing purchase decisions, location on housing purchasing decisions, government policy x location on housing purchase decisions, government policy x environment on housing purchase decisions, government policy x price on housing purchase decisions, and government policy x GOS on housing purchase decisions. This suggests that government policy and location have little influence on housing purchase decisions.

Predictive Relevance (Q^2)

The Q^2 value can be used to measure how well the observed values are generated by the model and its parameter estimates. A Q^2 value greater than 0 (zero) indicates that the model is said to be good enough, while a Q^2 value of less than 0 (zero) indicates that the model lacks predictive relevance. The following are the results of the Predictive Relevance (Q^2) test:

Table 10. Predictive Relevance (Q^2) Result

Dependent Variable	SSO	SSE	Q^2 (=1-SSE/SSO)
Housing Purchase Decisions	12997.000	1287.057	0.571

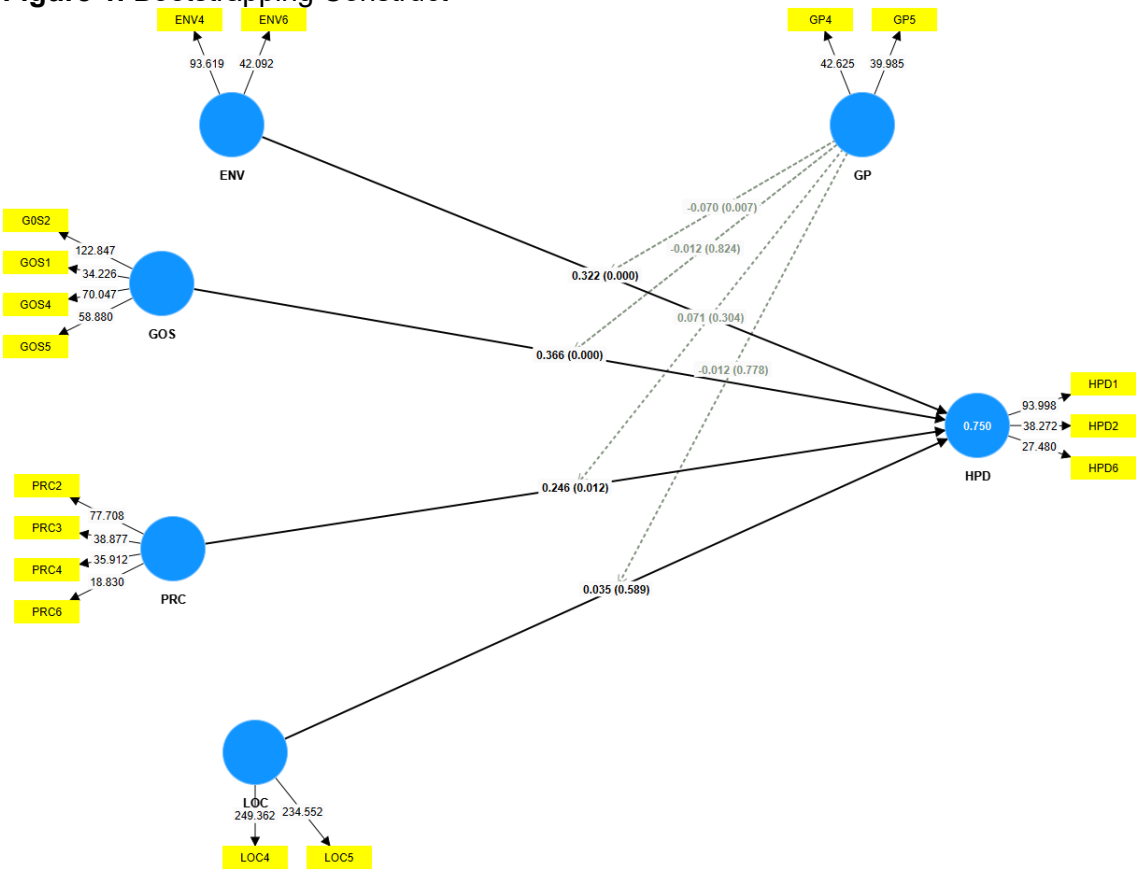
Source: Data Processed (2024)

The results in Table 10 show that all variables produce a predictive relevance (Q^2) value greater than 0 (zero) which indicates that the model is mean to be good enough.

Hypothesis Testing

Significance testing is used to test whether there is an influence of exogenous variables on endogenous variables. The hypothesis testing model can be seen in Figure 1:

Figure 1. Bootstrapping Construct



Source: Data Processed (2024)

According to the test criteria, an exogenous variable is considered to have a significant effect on an endogenous variable if the T-statistic value is ≥ T-table (1.96) or the P-value is < 0.05 (5% significance level). The results of the significance tests and model analysis are displayed in the following figures and tables.

Table 11. Hypothesis Testing

Variable Correlation	Coefficient	T-Statistic	P Value	Result
Environment -> Housing Purchase Decisions	0.322	4.955	0.000	Significant
GOS -> Housing Purchase Decisions	0.366	4.829	0.000	Significant
Government Policy -> Housing Purchase Decisions	0.099	1.825	0.068	Not Significant
Location -> Housing Purchase Decisions	0.035	0.540	0.589	Not Significant
Price -> Housing Purchase Decisions	0.246	2.507	0.012	Significant
Government Policy x Location -> Housing Purchase Decisions	-0.012	0.282	0.778	Not Significant
Government Policy x Environment-> Housing Purchase Decisions	-0.070	2.680	0.007	Significant
Government Policy x Price-> Housing Purchase Decisions	0.071	1.029	0.304	Not Significant
Government Policy x GOS -> Housing Purchase Decisions	-0.012	0.222	0.824	Not Significant

Source: Data Processed (2024)

Hypothesis testing in Table 11 indicates a significant impact if the t-values are above 1.96 and the significance level is below 0.05. Based on the hypothesis testing, the variables that influence housing purchasing decisions are environment, GOS, and price. Government policy and location do not have a direct impact on housing purchasing decisions. Government policy negatively moderates the effect of the environment on the decision to purchase subsidized housing. However, GOS, location, and price are not moderated by government policy in determining housing purchase decisions.

DISCUSSION

This study highlights the significant moderating effect of government public policy on housing purchase decisions in Tasikmalaya, particularly within the subsidized housing market. According to purchase decision theory, buyer behavior is influenced by a range of internal and external factors, including personal needs, economic conditions, and external incentives (Kotler & Armstrong, 2018). In the case of subsidized housing, government policies—such as fixed interest rates, affordable down payments, and price stabilization—play a crucial role in shaping these decisions. These policies reduce financial barriers and increase housing accessibility for low-income individuals, effectively influencing their purchase behavior by aligning the economic conditions with their purchasing capacity.

This study's findings indicate that government public policy has a negative moderating impact environment on the purchase subsidized housing. The housing environment in question is easy access to housing, near worship facilities, healthy air conditions and facilities for socializing as residents. However, in its implementation, subsidized housing

in Tasikmalaya is often located in locations with inadequate facilities. In fact, the facilities referred to in the context of the environment will grow slowly to accommodate the needs of housing residents. The location of subsidized housing on the outskirts of the city is the main reason why the expected facilities have not been fully implemented. Therefore, government regulations can evaluate the opening of subsidized housing projects and review certain conditions before subsidized housing is carried out.

However, GOS has a direct impact on the decision to purchase subsidized housing without being moderated by government policy. GOS has a strategic role in influencing the purchase decision of subsidized houses. Its presence increases positive perceptions of the residential environment, supports quality of life, and provides a competitive advantage for developers. The presence of green spaces has a significant impact on the emotional aspects of prospective buyers. A beautiful green environment provides a feeling of calm and security, thus increasing interest in housing. The positive psychological effects of green spaces, such as stress reduction and improved mental well-being, are a plus for developers who prioritize this aspect. An example of GOS in housing is the presence of mini parks in several corners of the housing complex. Despite the positive impact of green spaces, not all potential buyers consider them a top priority. Price, location, and accessibility are often more dominant factors in the decision to purchase subsidized housing. In addition, some developers face challenges in providing adequate green spaces due to limited land and management costs. This contradicts prior research that identified price and location as primary considerations in residential selection (Kotler et al., 2015), In the context of subsidized housing, consumers may have limited options and prioritize policies and facilities over price and location, Buyers of subsidized housing may accept limitations on price and location since their choices are largely facilitated by government policies, which enable access to more affordable housing.

In the context of subsidized housing, which is aimed at low-income people, price is a major consideration due to limited consumer purchasing power. Based on the results of price research, price has a positive influence on purchasing decisions for subsidized housing. price as a strategic element in marketing subsidized housing (Joshi & Rahman, 2015). The existence of government subsidies and ease of payment schemes, such as subsidized mortgages, have a positive impact on purchasing decisions. Interest subsidies and low-down payments increase consumers' purchasing power and motivate them to buy a house immediately. Affordable prices plus ease of payment create a high perception of value in the eyes of consumers. Price has an influence on housing purchase decisions not only seen from the price per unit of his house but based on the affordability of down payments, the affordability of hook prices or excess land which greatly impacts the desire to purchase housing.

The factor that has no impact on purchasing decisions is location. Location is often considered one of the important factors in property purchase decisions. However, in the context of subsidized housing, there is evidence that location does not always have a significant impact on purchasing decisions. The location of subsidized housing is generally in suburban areas or areas with low land prices. Consumers in this segment often have little choice about location due to budget constraints and reliance on government programs. Although location is not significant in purchase decisions, consumers still consider minimum accessibility, such as distance to work or school. perceptions of location tend to be more flexible in the subsidized housing market compared to the commercial housing segment.

CONCLUSION

The research findings state that government policies negatively moderate the environment on the decision to purchase subsidized housing. The housing environment generally has adequate social facilities and fresh air supply. The environment, GOS, and price have a direct influence on housing purchasing decisions. Meanwhile, location has no impact on purchasing decisions. This is because the location of subsidized housing is mostly in the suburbs with low budget allocations.

LIMITATION

This study on the moderating effect of government public policy on housing purchase decisions in Tasikmalaya has several limitations. First, the research is geographically limited to Tasikmalaya, which may restrict the generalizability of the findings to other regions with different economic, social, and policy environments. Second, the study relies on survey data, which could introduce self-reporting bias, as respondents' answers may not fully reflect their actual behaviors or preferences. Third, the analysis focuses on specific variables such as price, location, GOS, and environment; however, other factors like cultural perceptions or family influence on purchase decisions were not explored. Finally, this research only considers government policies at the present time, disregarding potential future policy changes that could influence housing purchase decisions differently. Future studies may benefit from longitudinal approaches or comparative analyses across multiple regions to provide a broader understanding.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that there are no potential conflicts of interest with respect to the research, authorship, and publication of this study titled "The Moderating of Government Public Policy on Housing Purchase Decisions in Tasikmalaya". All findings and conclusions are presented objectively, without influence from any external financial or non-financial affiliations.

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