

## Determinants Affecting Homeownership for Middle-Income Earners in Libya; A Conceptual Framework

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### Abstract

*Homeownership represents an essential socio-economic milestone for middle-income earners, signifying both financial stability and social security. In transitional economies such as Libya, however, this aspiration is increasingly constrained by overlapping structural, institutional, and social barriers. This paper develops a conceptual framework to examine the determinants influencing homeownership for Libya's middle-income households, a group often excluded from both state-subsidized housing programs and high-cost private markets. The framework identifies three major categories of determinants: socio-economic and demographic characteristics such as income, education, and employment; housing policy factors including subsidy design, accessibility, and regulatory frameworks; and social capital dimensions such as trust, social networks, and cultural expectations. In addition to these direct determinants, the framework integrates housing affordability and housing quality as critical mediating variables that shape the translation of resources and policies into ownership outcomes. Furthermore, broader social dynamics particularly institutional trust, cultural norms, and urban–rural disparities are considered as moderating influences that condition household decision-making and access pathways. Drawing on Social Capital Theory, Configuration Theory, and Cognitive Theory of Homeownership, the study advances a multidimensional perspective that captures the interplay between structural constraints, social networks, and individual perceptions. By situating middle-income earners at the center of the analysis, the proposed framework contributes to filling an important research gap in both Libyan and broader MENA housing studies. The findings are expected to provide insights for designing inclusive housing policies, strengthening affordability mechanisms, and promoting sustainable homeownership strategies in fragile, post-conflict urban environments.*

**Keywords:** Homeownership, Middle-Income Earners, Housing Policy, Social Capital, Housing Affordability, Libya.

## 1. Introduction

Homeownership is widely recognized as a foundation of social stability, economic advancement, and long-term wellbeing, particularly for middle-income earners who rely on home acquisition as a primary pathway to asset accumulation and financial security. As highlighted by Čermáková et al. (2022), the ability to own a home contributes significantly to wealth distribution, influencing social mobility and intergenerational opportunities. Yet across the Global South including African, Asian, and Middle Eastern regions middle-income households face increasing difficulty transitioning into homeownership due to rising housing costs, economic volatility, and widening inequalities (Ahmad et al., 2025). These pressures are especially visible in countries undergoing post-conflict rebuilding and institutional transformation such as Libya, where middle-income earners are caught between limited public housing programs and unaffordable private markets.

Socioeconomic constraints remain among the most influential barriers to homeownership. Income instability, employment insecurity, and limited financial literacy restrict households' ability to engage with mortgage markets or accumulate sufficient savings for home purchase (Nakiwala et al., 2023; Lian, 2020). Scholars also emphasize that socioeconomic determinants interact with spatial inequalities and urban–rural divides, further shaping access to adequate housing (Javed et al., 2024; Aizawa et al., 2020; Wang et al., 2020). In Libya, such disparities are deepened by inconsistent economic growth, regional fragmentation, and persistent gaps in urban planning, leaving many middle-income families unable to secure stable, quality housing. Housing policy structures significantly influence homeownership outcomes as well. The accessibility, design, and effectiveness of subsidy schemes, mortgage regulations, and public housing programs determine whether middle-income households can navigate local housing markets (Khaire, 2023; Cakranegara et al., 2025). Evidence from comparable contexts shows that weak regulatory frameworks, poor implementation, and bureaucratic inefficiencies limit the capacity of families to secure affordable housing options (Hoxha, 2024; Abshir, 2022). In Libya, the absence of cohesive, transparent housing policies has contributed to supply shortages, land-market distortions, and limited institutional support for aspiring homeowners conditions that collectively impede homeownership for middle-income earners.

Beyond structural factors, social and cultural dimensions strongly influence homeownership decisions. Social capital including trust, community ties, and social networks plays a critical role in accessing information, navigating housing markets, and securing informal financial assistance (Schmidt, 2025; Uğurlar & Özelçi Ecerel, 2022). Cultural norms also shape households' perceptions of homeownership as a marker of status, security, and family identity, informing tenure preferences and shaping long-term aspirations (Mulyadi & Ubaidillah, 2024). In Libya, where trust in public institutions has fluctuated and informal networks remain influential, these social and cultural mechanisms significantly inform families' decisions about renting versus buying. At the same time, mediating forces such as housing affordability and housing quality determine whether households convert their aspirations into ownership decisions. The affordability of housing stock along with the adequacy of its construction, neighborhood features, and access to services directly affects residents' willingness to invest in long-term homeownership (Akindele et al., 2025; BO, 2025). Post-conflict reconstruction challenges in Libya, including uneven infrastructure and damaged housing stock, further complicate these mediating factors (Valdeolmillos, 2025; Ammari & Roosli, 2024). These mediators are essential for understanding why households with similar socioeconomic profiles may reach different homeownership outcomes.

Finally, moderating conditions such as institutional trust, cultural norms, and the urban–rural divide shape the strength and direction of relationships among these determinants. Research shows that institutional trust enhances participation in formal housing systems, increases mortgage uptake, and reduces perceived risk in property investment (Han, 2025; Keller, 2024). Cultural frameworks influence ownership expectations and household priorities, while spatial inequalities affect access to services, land, and housing markets (Tong et al., 2020; Javed et al., 2024). In Libya, where institutional fragmentation, cultural diversity, and regional disparities intersect, these moderating factors are particularly relevant. Despite the importance of homeownership for economic resilience and social cohesion, empirical research focusing specifically on middle-income earners in Libya remains scarce. Existing regional literature tends to emphasize low-income housing, urban poverty, or market-wide affordability, leaving a substantial gap in understanding the unique challenges faced by the middle-income segment (Mabrouk, 2024; Atamanov et al., 2020). Therefore, this paper develops a comprehensive conceptual framework grounded in Social Capital Theory, Configuration Theory, and the Cognitive Theory of Homeownership to explain the multidimensional determinants affecting homeownership among middle-income earners in Libya. By integrating socioeconomic, policy, social, cultural, and contextual factors, the framework aims to advance scholarly understanding and inform more inclusive, evidence-based housing strategies that support middle-income homeownership in Libya’s evolving urban landscape.

## 2. Theoretical Foundations

### 2.1 Social Capital Theory

Social Capital Theory provides a foundational lens for understanding how relational dynamics, trust, and social networks shape homeownership decisions among middle-income earners in Libya. The theory argues that individuals rely on interpersonal ties, social norms, and collective trust to access information, navigate institutions, and mobilize resources. This is especially relevant in contexts where formal housing systems are perceived as unreliable or inaccessible. Empirical studies demonstrate that social networks significantly influence housing-search outcomes, access to opportunities, and the decision-making process surrounding tenure choice (Schmidt, 2025; Uğurlar & Özelçi Eceral, 2022). In societies where market institutions lack transparency or efficiency, households often depend on trusted personal connections to interpret housing policies, locate affordable properties, and obtain informal financial support. Han (2025) emphasizes that social trust affects perceptions of autonomy and security, which are directly linked to homeownership aspirations. Similarly, Keller (2024) explains how institutional distrust can push households toward informal arrangements, reinforcing the importance of social ties. These patterns resonate strongly with Libya, where institutional fragmentation, bureaucratic inconsistency, and fluctuating policy environments have heightened reliance on social capital as a compensatory mechanism within the housing system. Thus, Social Capital Theory explains why trust, social networks, and cultural expectations serve as key determinants and moderators within the homeownership model.

## 2.2 Configuration Theory

Configuration Theory offers a holistic perspective by arguing that social and economic outcomes such as homeownership are shaped not by single determinants, but by the combined influence of multiple interacting conditions. In the housing context, this means that socioeconomic factors, policy frameworks, institutional trust, cultural norms, and household perceptions operate simultaneously and interdependently, creating unique patterns that lead to different tenure outcomes. Research using configurational approaches shows that residential behavior emerges from complex combinations of structural and contextual variables rather than linear, isolated effects (Guo et al., 2023; Asante, 2023). For example, the effectiveness of housing policy depends on how well subsidy design, mortgage regulations, and urban planning interact with household income and employment stability (Cakranegara et al., 2025). Hoxha (2024) similarly highlights how building regulations and planning systems shape affordability and accessibility only when aligned with broader governance structures. In Libya, where economic volatility, post-conflict reconstruction, and governance inconsistencies intersect, homeownership cannot be explained by a single factor such as income or policy alone. Configuration Theory therefore supports the conceptualization of homeownership as the product of multi-level interactions between socioeconomic determinants, housing policy structures, social capital, mediating forces such as affordability and housing quality, and moderating conditions like institutional trust and spatial disparities.

## 2.3 Cognitive Theory of Homeownership

The Cognitive Theory of Homeownership emphasizes the role of individual perceptions, beliefs, cultural values, and subjective evaluations in shaping housing decisions. According to this perspective, households do not respond solely to objective market indicators; rather, they interpret affordability, assess quality, perceive financial risks, and internalize cultural expectations through cognitive filters that shape their preferences. Research demonstrates that cultural values and subjective interpretations play a critical role in shaping homeownership behavior, even among households with similar economic profiles (Mulyadi & Ubaidillah, 2024; Lian, 2020). For instance, perceptions of mortgage risk, long-term financial security, and institutional reliability influence whether individuals decide to pursue homeownership or remain renters (Liu & Liang, 2025). Liu et al. (2022) further show that cultural and psychological interpretations of renting versus owning can affect tenure choices independently of structural constraints. In Libya, where uncertainty surrounding institutional performance, fluctuating housing prices, and inconsistent construction quality are common, cognitive evaluations may significantly shape homeownership intentions. Middle-income earners might perceive ownership as either a secure social achievement or a risky financial undertaking depending on cultural norms, past experiences, and trust in institutions. Thus, the Cognitive Theory of Homeownership adds essential explanatory value by highlighting the psychological and perceptual mechanisms that influence whether socioeconomic and policy determinants translate into actual homeownership outcomes.

## 2.4 Integrating the Theories into the Homeownership Model

Bringing together Social Capital Theory, Configuration Theory, and the Cognitive Theory of Homeownership provides a comprehensive and multidimensional lens for understanding homeownership among middle-income earners in Libya. Social Capital Theory explains the relational foundations of housing decisions, illuminating how trust, networks, and shared expectations shape access to information, financial support, and institutional navigation. Configuration Theory emphasizes that these relational elements must be understood in conjunction with structural forces such as income, employment, housing policies, and market conditions, all of which interact to produce unique patterns of homeownership. Cognitive Theory adds depth by clarifying how households interpret these interacting conditions, form perceptions of affordability and quality, and respond to risk and cultural expectations.

Together, the three theories explain why homeownership in Libya cannot be attributed to a single determinant. Instead, it emerges from the interplay between socioeconomic characteristics, policy design, social capital, cultural norms, affordability assessments, housing quality evaluations, institutional trust, and spatial disparities. This integrated theoretical foundation directly reflects the structure of the abstract, which conceptualizes homeownership as the outcome of interconnected predictors (socioeconomic, housing policy, and social capital determinants), mediators (housing affordability and housing quality), and moderators (institutional trust, cultural norms, and urban–rural disparities). By merging structural, social, and cognitive explanations, the combined theoretical model provides a robust foundation for developing the conceptual framework and the subsequent hypotheses that guide this study.

## 3. Hypotheses Development

### 3.1 Socioeconomic and Demographic Characteristics and Homeownership

Socioeconomic and demographic characteristics particularly income, education, and employment form the foundational determinants of homeownership across global housing systems. Higher and more stable income enhances households' ability to save, access mortgages, and meet long-term housing costs, making income one of the most consistent predictors of ownership (Ahmad et al., 2025). Education strengthens financial literacy, improves employment opportunities, and enhances awareness of housing programs and financing mechanisms (Nakiwala et al., 2023). Stable employment further reinforces financial security and creditworthiness, increasing the likelihood that households can transition from rental markets to ownership. Studies in Malaysia and China similarly show that middle-income households with stronger socioeconomic profiles demonstrate higher homeownership rates and greater capacity to navigate competitive and inflationary housing markets (Zamri, 2020; Lian, 2020). In Libya where economic volatility, regional disparities, and labor-market uncertainties persist these socioeconomic determinants are expected to play a profound role in shaping homeownership outcomes among middle-income earners.

**H1: Socioeconomic and demographic characteristics (income, education, and employment) have a significant positive effect on homeownership among middle-income earners in Libya.**

### 3.2 Housing Policy Factors and Homeownership

Housing policy represents a critical enabling or constraining force in shaping access to homeownership, particularly for middle-income households who often fall between well-targeted subsidies for low-income groups and market-priced private housing. Evidence from Ethiopia, India, Indonesia, and Kosovo indicates that subsidy design, program accessibility, and regulatory frameworks significantly determine whether households can secure affordable housing (Abshir, 2022; Khaire, 2023; Cakranegara et al., 2025; Hoxha, 2024). Weak institutional coordination, bureaucratic inefficiencies, and poorly designed subsidy structures can limit eligibility or accessibility, thereby excluding large segments of middle-income earners from public housing opportunities. Conversely, transparent regulations and well-implemented subsidies can expand affordability, stabilize housing markets, and increase formal participation in ownership pathways. Libya's fragmented housing policies, inconsistent institutional performance, and limited mortgage programs underscore the importance of policy design in shaping homeownership outcomes.

**H2: Housing policy factors (subsidy design, accessibility, and regulatory frameworks) significantly influence homeownership among middle-income earners in Libya.**

### 3.3 Social Capital and Homeownership

Social capital including trust, interpersonal networks, and cultural expectations plays a critical role in shaping housing behavior, especially in environments where formal institutions are weak or perceived as unreliable. Social networks provide access to housing information, reduce search costs, and offer informal financial assistance, all of which significantly influence tenure decisions (Schmidt, 2025; Uğurlar & Özelçi Eceral, 2022). Trust both interpersonal and institutional reduces perceived risks associated with investing in property, particularly in volatile or transitional housing markets (Han, 2025; Keller, 2024). Cultural expectations also shape the symbolic and social meanings of ownership, as demonstrated in studies where homeownership is tied to social status, adulthood, or family honor (Mulyadi & Ubaidillah, 2024; Lian, 2020). In Libya, where institutional uncertainty and reliance on informal networks remain strong, social capital is expected to substantially shape homeownership preferences and decisions.

**H3: Social capital dimensions (trust, social networks, and cultural expectations) have a significant impact on homeownership among middle-income earners in Libya.**

### 3.4 The Mediating Role of Housing Affordability

Housing affordability serves as a crucial mediating mechanism between structural determinants and homeownership outcomes. Even when households possess strong socioeconomic resources, have access to supportive social networks, or operate within favorable policy environments, limited affordability can obstruct their ability to purchase a home. Research across emerging economies indicates that affordability

constraints stemming from rapid price inflation, rising construction costs, or insufficient mortgage instruments remain the strongest barriers to homeownership (Akindele et al., 2025; Kadah El Habbal, 2025). Affordability thus determines whether socioeconomic advantages, policy interventions, and social capital translate into actual ownership behaviors. In Libya, where price volatility and limited financing options persist, affordability is likely to mediate the influence of all primary determinants.

**H4: Housing affordability mediates the relationship between socioeconomic, housing policy, and social capital determinants and homeownership among middle-income earners in Libya.**

### 3.5 The Mediating Role of Housing Quality

Housing quality is a central mediating factor that shapes whether socioeconomic, policy, and social resources translate into homeownership decisions. Households are less likely to commit to ownership when available housing lacks structural reliability, adequate neighborhood services, or environmental suitability (BO, 2025; Akindele et al., 2025). Evidence from developing contexts shows that even financially capable buyers avoid ownership if residential environments fail to meet basic safety and quality expectations. In Libya, years of conflict and uneven reconstruction have produced significant variations in housing conditions, with some areas facing deterioration and inadequate infrastructure (Valdeolmillos, 2025; Ammari & Roosli, 2024). These conditions mean that quality becomes a decisive factor influencing tenure choice. As such, housing quality mediates how socioeconomic advantages, policy structures, and social capital ultimately shape homeownership outcomes.

**H5: Housing quality mediates the relationship between socioeconomic, housing policy, and social capital determinants and homeownership among middle-income earners in Libya.**

### 3.6 The Moderating Role of Institutional Trust

Institutional trust significantly shapes how households respond to housing policies, financing systems, and long-term tenure risks. When trust in government institutions and housing authorities is low, households perceive homeownership as risky, weakening the influence of favorable socioeconomic or policy conditions (Han, 2025; Keller, 2024). Conversely, high levels of institutional trust increase confidence in regulatory frameworks, mortgage systems, and property rights enforcement. This trust encourages households to engage with formal markets and consider long-term investment. In Libya where governance structures remain fragmented and institutional reliability varies trust becomes a decisive contextual factor. Therefore, institutional trust is expected to moderate how socioeconomic, policy, and social capital determinants influence homeownership among middle-income earners.

**H6: Institutional trust moderates the relationship between the socioeconomic, housing policy, and social capital determinants and homeownership among middle-income earners in Libya.**

### 3.7 The Moderating Role of Cultural Norms

Cultural norms strongly shape households' interpretations of homeownership's value, influencing how socioeconomic and policy factors translate into behavior. In contexts where owning a home symbolizes maturity, family honor, and social standing, cultural expectations intensify households' motivation to purchase property, even under financial constraints (Mulyadi & Ubaidillah, 2024; Lian, 2020). Conversely, societal norms favoring extended family living or inherited housing may weaken the impact of policy incentives or social networks. In Libya, cultural traditions around land, family roles, and property transfer exert substantial influence on tenure decisions. Consequently, cultural norms operate as a moderating force that conditions the strength of relationships between determinants and homeownership outcomes.

**H7: Cultural norms moderate the relationship between the socioeconomic, housing policy, and social capital determinants and homeownership among middle-income earners in Libya.**

### 3.8 The Moderating Role of Urban–Rural Disparities

Urban–rural disparities introduce significant differences in housing availability, affordability, infrastructure, and market functioning. Urban areas typically offer greater housing options but at higher prices, while rural regions present affordability but often lack adequate services and quality housing stock (Javed et al., 2024; Aizawa et al., 2020; Wang et al., 2020). These spatial inequalities shape how socioeconomic and policy determinants influence tenure choices, producing distinct ownership pathways. In Libya, post-conflict reconstruction has deepened these disparities, leaving some regions with robust development while others face severe infrastructure gaps. As a result, geographic context moderates the extent to which structural and social determinants shape homeownership outcomes.

**H8: Urban–rural disparities moderate the relationship between the socioeconomic, housing policy, and social capital determinants and homeownership among middle-income earners in Libya.**

## 4. Gaps in the Literature

### 4.1 Gaps in Socioeconomic Literature

Although substantial research links income, education, and employment to housing outcomes, most studies disproportionately focus on either low-income households or general urban populations, leaving middle-income earners conceptually underexamined. Existing work in Asia and Africa highlights the widening socioeconomic inequalities that influence tenure decisions (Ahmad et al., 2025), yet these studies rarely isolate middle-income groups as a unique policy-blind segment caught between subsidized housing and unaffordable private markets. Research in Malaysia and China documents socioeconomic barriers for middle-income earners (Zamri, 2020; Lian, 2020), but contextual differences limit generalization to post-conflict environments like Libya. Crucially, there remains limited understanding

of how income volatility, employment insecurity, and education disparities interact in transitional economies characterized by institutional instability. Thus, the Libyan middle-income segment remains largely unexplored within socioeconomic housing research, creating a substantial empirical gap.

#### **4.2 Gaps in Housing Policy Literature**

Current housing policy literature often concentrates on formal housing programs targeting low-income beneficiaries or large-scale urban renewal initiatives. Studies from Ethiopia, India, Indonesia, and Kosovo highlight shortcomings in subsidy design, policy implementation, and regulatory frameworks (Abshir, 2022; Khaire, 2023; Cakranegara et al., 2025; Hoxha, 2024). However, few studies explicitly examine how policy failures affect middle-income earners particularly those excluded from public housing benefits yet unable to compete in private markets. Additionally, most policy analyses are situated in stable governance contexts, whereas post-conflict nations like Libya face fragmented regulatory systems and limited institutional coherence. The absence of region-specific and class-specific investigations into housing policy effectiveness for middle-income households represents a critical gap in the literature.

#### **4.3 Gaps in Social Capital Literature**

Research increasingly acknowledges the role of social networks, trust, and cultural expectations in shaping housing decisions, especially in settings with weak institutions (Schmidt, 2025; Uğurlar & Özelçi Eceral, 2022). However, existing studies primarily examine renters, low-income groups, or migrant populations, leaving middle-income earners understudied. Furthermore, while trust both interpersonal and institutional has been linked to autonomy and decision-making (Han, 2025; Keller, 2024), few studies evaluate how trust interacts with formal housing systems in transitional economies. Cultural influences on homeownership have been documented in East Asia and Southeast Asia (Mulyadi & Ubaidillah, 2024; Lian, 2020), yet cultural dynamics in North African and Arab contexts receive little empirical attention. Consequently, the literature lacks a nuanced understanding of how social capital dimensions shape homeownership among middle-income Libyan households.

#### **4.4 Gaps in Mediating Mechanisms**

Although affordability and housing quality are widely recognized as central factors in residential decision-making, existing research often treats them as direct determinants rather than mediators linking broader socioeconomic and policy conditions to homeownership. Studies highlight affordability constraints in emerging economies (Akindele et al., 2025; Kadah El Habbal, 2025) and underscore the influence of housing quality on residential satisfaction and ownership (BO, 2025). Yet few models analytically test these variables as mediating pathways, especially in post-conflict or institutionally weak contexts. Moreover, the interplay between affordability, quality, and social capital remains poorly theorized. The absence of mediation-focused empirical work creates a substantial theoretical and methodological gap particularly in Libya, where affordability and quality challenges are uniquely shaped by conflict-related damage and uneven reconstruction.

#### 4.5 Gaps in Moderating Mechanisms

While moderating factors such as institutional trust, cultural norms, and spatial disparities clearly shape housing decisions, most studies examine these variables in isolation or as background factors rather than as systematic moderators. Institutional trust has been explored in relation to governance and public service delivery (Han, 2025; Keller, 2024), but its moderating influence on socioeconomic and policy relationships remains largely untested. Cultural norms are widely studied in Asian housing markets (Mulyadi & Ubaidillah, 2024; Lian, 2020), yet little is known about how such norms operate in North African contexts or within fragmented institutional environments. Likewise, urban–rural disparities have been documented globally (Javed et al., 2024; Aizawa et al., 2020; Wang et al., 2020), but their conditional effects on middle-income homeownership remain underexplored. These gaps highlight the lack of integrated models examining how moderators shape the strength and direction of housing determinants.

#### 4.6 Integrated Gaps in Multidimensional Models

Despite increasing recognition that homeownership is shaped by multiple interacting determinants, most existing studies adopt linear, single-factor, or siloed approaches. Research on middle-income earners is particularly fragmented, with separate bodies of literature addressing socioeconomic barriers, policy failures, cultural norms, or institutional trust independently. Very few studies integrate these dimensions into a comprehensive, multidimensional framework. There is also a notable absence of models incorporating both mediators (affordability, quality) and moderators (institutional trust, cultural norms, urban–rural disparities) together, especially in volatile or post-conflict settings. Transitional economies like Libya with fragmented institutions and uneven reconstruction remain almost entirely absent from multidimensional housing research. As a result, there is a clear need for an integrated conceptual framework that captures the full complexity of determinants affecting homeownership among middle-income earners in Libya.

### 5. Conceptual Framework Development

#### 5.1 Determinants of Homeownership

The conceptual framework positions socioeconomic characteristics, housing policy factors, and social capital dimensions as the primary determinants shaping homeownership among middle-income earners in Libya. Socioeconomic characteristics including income, employment stability, and education form the foundational drivers enabling households to access financing, accumulate savings, and evaluate long-term investment commitments (Ahmad et al., 2025; Nakiwala et al., 2023). Housing policy factors such as subsidy design, program accessibility, and regulatory clarity influence affordability, eligibility, and confidence in the formal housing system, as documented across various transitioning and developing contexts (Abshir, 2022; Khaire, 2023; Cakranegara et al., 2025; Hoxha, 2024). Social capital reflected in trust, social networks, and cultural expectations shapes information flows, risk perceptions, and

behavioral orientations, particularly in settings marked by institutional uncertainty (Schmidt, 2025; Han, 2025; Uğurlar & Özelçi Eceral, 2022). Together, these determinants form the structural and relational foundations influencing whether middle-income households pursue homeownership within Libya's fragmented and evolving housing landscape.

## **5.2 Mediating Variables**

The framework identifies housing affordability and housing quality as key mediating mechanisms through which the primary determinants influence homeownership. Affordability translates socioeconomic and policy advantages into practicable purchasing capacity, shaping households' ability to secure adequate housing amidst rising prices and limited financial instruments (Akindele et al., 2025; Kadah El Habbal, 2025). In Libya, price instability and constrained mortgage markets make affordability a decisive intermediary condition. Housing quality including structural soundness, neighborhood characteristics, and access to services further mediates households' willingness to commit to ownership, as poor-quality environments often deter investment even when financial and policy conditions are favorable (BO, 2025; Akindele et al., 2025). The effects of conflict-driven destruction and uneven reconstruction amplify the importance of quality as a mediating factor (Valdeolmillos, 2025; Ammari & Roosli, 2024). Thus, both affordability and quality operate as crucial pathways that translate broader determinants into actual homeownership outcomes.

## **5.3 Moderating Variables**

The conceptual model incorporates institutional trust, cultural norms, and urban–rural disparities as moderating variables that shape the strength and direction of relationships between determinants and homeownership. Institutional trust affects how households interpret policies, evaluate risks, and engage with mortgage and regulatory systems; high trust strengthens policy impacts, while low trust discourages participation in formal markets (Han, 2025; Keller, 2024). Cultural norms influence expectations around property ownership, family roles, and residential preferences, amplifying or dampening the effects of socioeconomic and policy factors depending on societal values (Mulyadi & Ubaidillah, 2024; Lian, 2020). Urban–rural disparities in infrastructure, housing supply, service delivery, and affordability further condition housing choices, creating distinct ownership pathways across spatial contexts (Javed et al., 2024; Aizawa et al., 2020; Wang et al., 2020). In Libya characterized by fragmented governance, regional inequalities, and post-conflict redevelopment these moderators are especially salient, shaping how determinants translate into homeownership for middle-income earners.

## **5.4 Proposed Conceptual Framework**

Based on the theoretical foundations and the empirical gaps identified, the conceptual framework integrates the multidimensional relationships between determinants, mediators, and moderators to explain homeownership among middle-income earners in Libya. The model positions socioeconomic characteristics, housing policy factors, and social capital dimensions as the core antecedent determinants. These determinants exert their influence on homeownership indirectly through housing affordability and

housing quality, which serve as mediating pathways translating household capabilities and contextual conditions into ownership decisions. The relationships throughout the model are conditioned by three contextual moderators institutional trust, cultural norms, and urban–rural disparities which strengthen or weaken the impact of determinants on homeownership outcomes. Figure 1 visually presents this conceptual framework, illustrating how predictors (socioeconomic, policy, social capital) flow through mediators (affordability, quality) and are shaped by moderators (institutional trust, cultural norms, spatial disparities) to produce the final dependent variable: homeownership among middle-income earners in Libya.

This integrated model responds directly to the theoretical and empirical gaps in the literature and provides a comprehensive foundation for examining homeownership in a post-conflict, institutionally fragmented context.

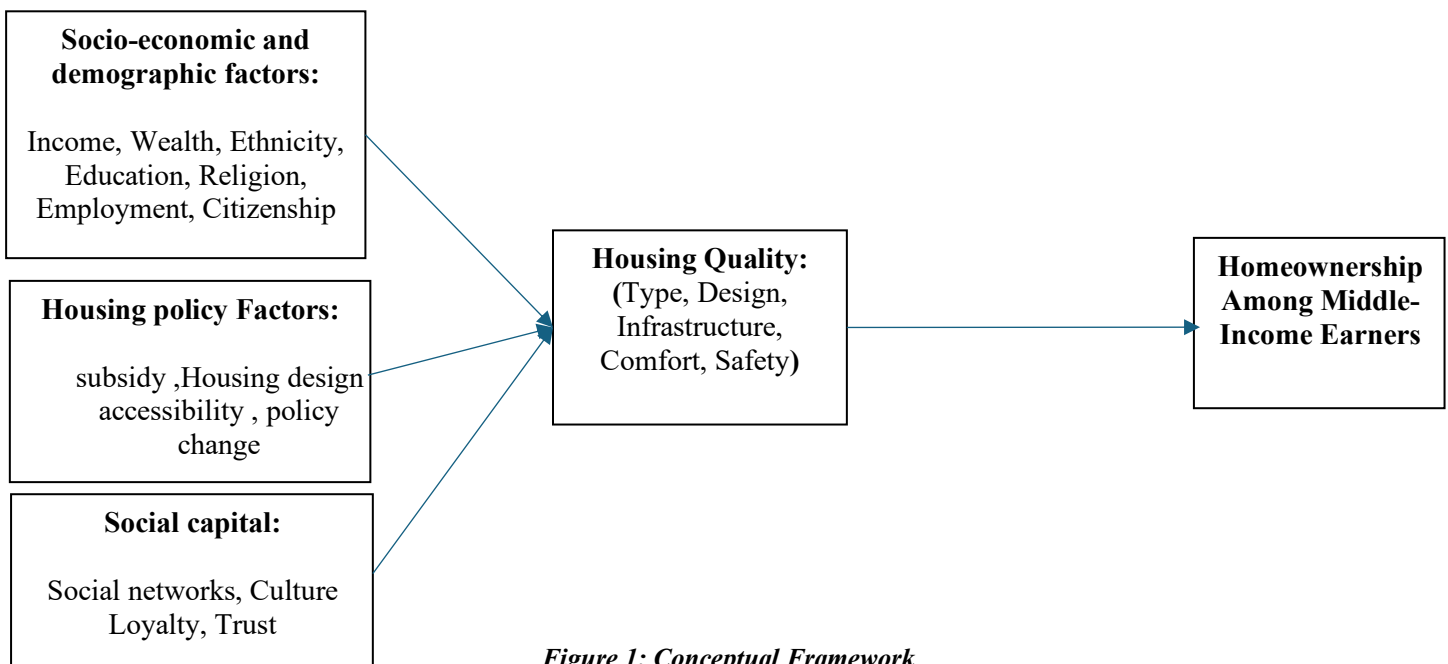


Figure 1: Conceptual Framework

## 6. Practical Implications

### 6.1 Implications for Policymakers and Housing Authorities

The conceptual framework highlights that improving homeownership among Libya’s middle-income earners requires coordinated reforms across socioeconomic, policy, and institutional dimensions. Policymakers must redesign subsidy programs to ensure transparency, accessibility, and equitable distribution, as poorly structured or inconsistently implemented housing interventions often fail to reach intended beneficiaries (Abshir, 2022; Khaire, 2023). Evidence from other developing contexts shows that effective regulatory frameworks and clear eligibility criteria enhance household confidence and stimulate greater participation in homeownership initiatives (Cakranegara et al., 2025; Hoxha, 2024). Strengthening governance, improving monitoring mechanisms, and addressing administrative

inefficiencies would reduce institutional bottlenecks that currently hinder access. Additionally, integrating affordability targets such as land-price control and income-indexed subsidies can help middle-income households overcome financial barriers and better navigate Libya's volatile housing market (Akindele et al., 2025; Kadah El Habbal, 2025).

## **6.2 Implications for Financial Institutions and Mortgage Providers**

Financial institutions play a central role in translating socioeconomic capability into actual homeownership. The framework suggests that institutional trust is crucial in shaping households' willingness to engage with mortgage markets, and research shows that distrust in banking systems discourages long-term borrowing even among financially capable households (Han, 2025; Keller, 2024). Mortgage providers in Libya can address this barrier by adopting transparent lending procedures, publicly communicating risk-management safeguards, and offering tailored loan products that match the financial realities of middle-income earners. Flexible repayment schedules, lower down-payment requirements, and targeted credit assessments can improve accessibility for households with unstable income patterns or limited credit histories (Nakiwala et al., 2023). Strengthening consumer protection mechanisms and expanding financial literacy programs will further enhance trust and encourage broader mortgage participation (Ahmed, 2023; Ahmad et al., 2025).

## **6.3 Implications for Urban Planners and Local Governments**

The inclusion of housing quality and spatial disparities in the model underscores the need for place-sensitive planning. Evidence shows that poor neighborhood conditions, weak infrastructure, and post-conflict deterioration significantly reduce households' willingness to purchase homes even when affordability is within reach (BO, 2025; Valdeolmillos, 2025). Local governments in Libya must therefore invest in neighborhood upgrading, improved building standards, and reliable access to public services. Urban planners should promote balanced regional development by expanding essential infrastructure such as public transport, water networks, health facilities, and schools to reduce the stark differences between urban and rural housing environments (Javed et al., 2024; Wang et al., 2020). Mixed-income housing developments, resilient construction practices, and stronger building-code enforcement can further enhance the quality of the housing stock and support sustainable homeownership choices (Ammari & Roosli, 2024).

## **6.4 Implications for Community Organizations and Social Networks**

Social capital plays a significant role in shaping homeownership pathways, particularly in contexts where institutional structures are weak or fragmented. Community organizations, neighborhood associations, and informal networks influence how households perceive housing opportunities, manage risk, and navigate bureaucratic processes. Research demonstrates that strong social networks enhance access to housing information, reduce transaction costs, and provide emotional and financial support during the purchase process (Schmidt, 2025; Tong et al., 2020). In Libya, community leaders and local groups can facilitate trust-building initiatives, mediate between residents and authorities, and assist households in interpreting complex housing policies. Cultural expectations around ownership, family obligations, and intergenerational housing arrangements also underscore the importance of culturally attuned outreach

programs (Mulyadi & Ubaidillah, 2024; Lian, 2020). Supporting community engagement strengthens these relational assets and improves the overall functioning of the housing system.

### 6.5 Implications for Researchers and Future Policy Evaluations

The multidimensional nature of the proposed model offers several implications for researchers studying housing markets in post-conflict and developing contexts. Existing literature often isolates socioeconomic, policy, or social factors, resulting in fragmented insights that fail to capture the full complexity of homeownership dynamics (Čermáková et al., 2022; Aizawa et al., 2020). The integrated model proposed in this paper encourages researchers to apply configuration theory, mixed-method approaches, and structural modeling to explore how determinants interact through mediating and moderating pathways. Future empirical studies should examine how affordability, housing quality, institutional trust, and spatial disparities jointly influence ownership outcomes. Additionally, longitudinal analyses would help assess the impact of evolving reconstruction efforts, shifting cultural patterns, and changing policy regimes on housing markets. Such research can offer evidence-based recommendations that support more inclusive and resilient housing strategies in Libya.

## 7. Conclusion

This conceptual framework paper provides an integrated understanding of the factors shaping homeownership among middle-income earners in Libya. By bringing together socioeconomic characteristics, housing policy structures, and social capital dynamics, the framework demonstrates that homeownership is not determined by a single dimension but rather by the interplay between financial capacity, policy support, and social environments. The model highlights that socioeconomic and policy advantages translate into actual homeownership only when filtered through key mediating mechanisms housing affordability and housing quality which determine whether households can secure adequate and suitable housing. The framework also emphasizes the role of contextual moderators, including institutional trust, cultural norms, and urban–rural disparities, which shape how households interpret opportunities, evaluate risks, and engage with both formal housing markets and informal support networks. These moderating forces are particularly important in Libya’s post-conflict context, where governance instability, spatial inequalities, and cultural expectations exert substantial influence on housing decisions. Overall, the conceptual model addresses significant gaps in existing research by offering a multidimensional approach that incorporates structural, relational, and contextual elements of homeownership. It provides a foundation for policymakers, housing authorities, financial institutions, and researchers to design more effective interventions, develop inclusive policies, and conduct empirical investigations that reflect the complexities of Libya’s evolving housing landscape.

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