

Housing Policy Factors and Social Capital as Determinants of Homeownership among Middle-Income Earners in Libya: The Mediating Role of Housing Quality

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ABSTRACT

Homeownership remains a major challenge for middle-income households in Libya because of affordability constraints, limited institutional support, and continuing economic and political instability. This study examines the effects of Housing Policy Factors, Social Capital, and Housing Quality on Homeownership among middle-income earners in Tripoli, Libya. It also assesses the mediating role of Housing Quality in the relationships between the independent variables and Homeownership. A quantitative, cross-sectional survey was conducted using a structured questionnaire. Of the 300 questionnaires distributed, 240 were returned and 219 valid responses were retained for analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that Housing Policy Factors have a significant positive direct effect on Homeownership and a significant indirect effect through Housing Quality. Social Capital does not significantly affect Homeownership directly, although it has a significant positive effect on Housing Quality. The direct relationship between Housing Quality and Homeownership is positive but not statistically significant, and the indirect effect of Social Capital on Homeownership through Housing Quality is also not significant. These findings indicate that institutional housing support is more directly associated with homeownership than community relationships alone. The study contributes evidence from Libya by integrating policy, social, and housing-quality dimensions within one analytical framework. It recommends coordinated policies that address affordability, institutional support, and the quality of housing available to middle-income households.

Keywords: Homeownership; Housing Policy Factors; Housing Quality; Social Capital; Libya

INTRODUCTION

Buying a home can provide residents of a community financial and social stability, while also increasing the quality of life of community members. It is even more important for middle-income families in growing economies. Yet, many aspiring homeowners are unable to purchase a home due to high prices combined with a lack of affordability and government support (Ben-Shahar et al., 2020; Galster & Lee, 2021).

Many growing economies are defined by an informal economy and a transition to a market economy. Purchasing power is often low during this time, and coupled with weak and/or failed housing policies and planning systems, excludes middle-income households from accessing affordable housing (Al-Kuwari & Akinmoladun, 2021; Kezeiri & Lawless, 2023). This is reflected in Libya where post-2011, the interrelated breakdown of systems in housing governance and land administration led to more deterioration in the quality and affordability of housing (Fathalla, 2019; Ammari & Roosli, 2024). This has also resulted in state sponsored housing assistance and formal housing finance becoming inaccessible to the majority of middle-income households.

In the case of housing policy, institutional support and the presence of stable subsidies and programs, along with regulated standards, are some of the factors that drive homeownership (Balchin & Rhoden, 2019; Braakmann & McDonald, 2020). Poorly designed policies and interventions along with weak regulation also drive the opposite. The “race to the bottom” in long-term investment in housing is driven by competition for resources and driven by poor housing policy (Sharafeddin & Arocho, 2022). Comprehensive and long-term housing policies must be aimed at balancing supply and quality/sustainability of housing and its supporting infrastructure (Shah et al.,

2022; Ammari & Roosli, 2024).

Social factors also influence homeownership. Part of social capital is trust, the social web, the practice and expectation of reciprocity, loyalty, and the ability to coordinate the cooperative activities and services of a community (Putnam, 2000; Islam et al., 2024). Households lacking formal channels may rely on informal relationships to secure information about and access to financing and other support during the home purchase process (Bolarinwa & Alao, 2022; Zhou, 2022). In informal and post-conflict settings, social capital has been found to help families gain access to housing, particularly in the absence of formal institutional support (Akbar et al., 2023; Huber & Montag, 2020).

Previous studies have analyzed social capital and housing policies. However, research integrating the two fields to evaluate the phenomena of homeownership among middle-income earners is sparse. Also, analyzed studies have described the pathways through which the two fields correlate and the phenomena of homeownership. The quality of housing, especially the design and the safety of housing and the infrastructure within a housing policy, could play an important role as a means of translating social capital into homeownership (Howden-Chapman et al., 2023). However, research is absent, especially within the boundaries of Libya, that will examine the quality of housing.

To fill aforementioned research gaps, the study presents an integrated framework of housing policy and social capital to analyze housing policy and social capital of middle-income earners in Libya while analyzing the role that the quality of housing plays. The study focuses on Tripoli, Libya's largest urban center, and contributes to the existing literature on housing policy by providing research from a post-conflict environment and offering practical suggestions to policymakers.

LITERATURE REVIEW

Housing Policy Factors and Homeownership

According to existing research, the creation of policies addressing housing is pivotal to the development of homeownership. Ben-Shahar et al. (2020) indicate that affordability is impacted by purchasing power, the supply of housing, the delivery of housing finance, and the state's level of involvement. Meanwhile, Galster and Lee (2021) indicate that the regulatory, supply, and financial policies influence households' ability to purchase a home. All of these policies play a role in the availability and outcomes of homeownership.

Of the available policy options, the use of housing subsidy programs is the most common method to address the need for housing. Fleeting, yet well-designed housing subsidies may address the need for homeownership and decrease affordability issues. Poorly designed and implemented subsidy programs are more likely to have negative long-term outcomes by increasing affordability issues and worsening homeownership concerns. Therefore, addressing market inequities created by structural issues, planning, and restrictive regulations should be complemented by the provision of financial assistance.

The Libyan housing sector is a complex policy environment. In the past, housing provision relied on government support through subsidized public housing and government planned housing. Internal political issues and the fragmentation of government structures have led to the further erosion of housing governance (Fathalla, 2019). Poor governance planning in post-conflict Libya has led to a shortage of housing, which is increasingly difficult for the middle-income group to access (Al-Kuwari and Akinmoladun, 2021). Ammari and Roosli (2024) have also recently suggested that in order to achieve sustainable housing development in Libya, supportive policy and planning reforms for the transport and social sectors as well as reforms for regulatory efficiency would be required rather than solely the supply of housing.

Additionally, there is limited research on these integrated policy dimensions and their implications on middle-income homeownership in Libya. This is an important area that needs more research. Middle-income households' risk being left out of government programs, and at the same time do not have enough resources to purchase homes in the private market. Given the above, this study has formulated the following hypothesis:

H1: *Housing policy factors have a significant positive effect on homeownership among middle-income earners in Libya.*

Social Capital and Homeownership

Social capital describes the networks, shared norms, exchanges, and trust that allow people to cooperate and also provides people much needed information and support. Putnam describes social capital as a realm of cooperation and trust whereas financial resources provide support and access to information (Putnam, 2000; Islam et al., 2024). In the unpredictable housing markets, social capital frequently is the means households use to obtain housing information and access ownership.

Research shows social capital increases the likelihood of purchasing a home. Akbar et al. (2023) show the reinforced cycle of home purchasing and social capital. People who live within strong social networks, or their social capital, are more likely to have support when purchasing a home. Zhou (2022) describes neighborhood trust as the social capital that encourages safe housing investments. Social capital also encourages a reliable housing market and increases households purchase of homes.

Trust is a major component of social capital. Both interpersonal and institutional trust lower the risks associated with property and housing investments. Huber and Montag (2020) developed the argument that the ownership of property is more secure in developing countries where social capital is higher and civic participation is stronger. Berg and Johansson (2020) also argued that strong institutional trust among citizens leads to better engagement with public offerings, including housing services. Daskalopoulou (2019) argued that interpersonal and institutional trust strengthen long-term investment decisions and create a stable environment.

Another important dimension of social capital is social networks. They help provide housing opportunities through easier access to housing information and informal means of housing finance. In the Libyan context, Bolarinwa and Alao (2022) showed that middle-income earners deal with the barriers to housing market services through informal social networks. Their research showed that strong ties to the community provide housing opportunities that improve formal housing systems and financial services and government assistance. Islam et al. (2023) showed that trust and social networks contributed to the wellbeing of local poor communities in Malaysia. In Libya, the long-standing political instability has affected housing governance, which has resulted in households depending more on their family, community, and informal support networks to make housing choices (Al-Kuwari & Akinmoladun, 2021; Sharafeddin & Arocho, 2022). It is expected that bridging the identified gaps will provide better understanding of the role social capital plays in facilitating housing ownership to the middle-income earners.

From the above theoretical and empirical information, we propose the following hypothesis:

H2: *Social capital has a significant positive effect on homeownership among middle-income earners in Libya.*

Housing Policy Factors and Access to Quality Housing

One of the clear indicators that a housing policy has been effective is the quality of housing. It has gone beyond just the quantity of housing units and now policies have to consider the quality of housing developments in terms of the physical and functional standards of housing as well as their environmental impact. This is achieved through planning regulations, building standards and subsidies (Balchin and Rhoden, 2019). As a result, the quality of housing can now be used as a measurement to assess the success of housing policies. This is especially the case in the developing as well as the post-conflict countries where the ability of the state to regulate and control housing is at its weakest.

Shah et al. (2022) highlight that affordable housing program success relies on the adequacy and quality of infrastructure as well as construction standards. Odoyi and Riekkinen (2022) also view that the housing policy domain should encompass the provision of adequate, quality, and sustainably residential housing, outside of the capacity to house.

Building and planning controls focus on construction and the safety, functionality, and quality of the built

environment. Schuetz (2020) suggests that effective planning can improve the provision of safe and planned housing. Molloy (2020) supports this position. Appropriate regulations impact the affordability, quality, and sustainability of housing. Abdullah et al. (2021) complement Molloy's position. This then is highly applicable to the Libyan Housing Sector. Housing Policy Factor construct and its relationship to the quality and standard of housing in Libya.

This study will therefore test the following hypothesis:

H3: *Housing policy factors have a significant positive effect on housing quality among middle-income earners in Libya.*

Social Capital and Housing Quality

There is increasing interest in social capital and its role in improving the quality of housing, especially in places where social relationships assist in making up for inadequate institutions. Social capital is trust, social connections, reciprocity, and shared cultural value. It can affect the quality of housing through community organization and action, as well as the flow of information (Putnam, 2000). In communities with high social capital, residents are more likely to be engaged in actively improving the quality of both the neighborhood and the services. Zhou (2022) found that neighborhood cohesion leads to residential stability due to residents' community development investment. Similarly, Akbar et al. (2023) argue that social capital enables household cooperation and engagement, and collectively, efforts to enhance the quality of the residence.

The impact social capital has on housing quality is most important to the study of post-conflict societies, like Libya, where there is a lack of institutional capacity. Governance issues coupled with a lack of public investment has caused communities to rely on informal relationships to sustain residential areas and to fill the gaps in public service (Al-Kuwari & Akinmoladun, 2021). Existing studies also tend to focus on individual dimensions such as neighbourhood cohesion or trust rather than social capital as a broader construct encompassing trust, networks, cultural norms, and loyalty. Evidence from Libya is especially scarce despite the importance of informal social networks in the country. The present study therefore examines the relationship between Social Capital and Housing Quality in a post-conflict urban context.

Based on the preceding discussion, this study proposes the following hypothesis:

H4: *Social capital has a significant positive effect on housing quality among middle-income earners in Libya.*

Housing Quality and Homeownership

Housing quality can also provide the performance necessary for resident satisfaction and for perceiving the housing as a suitable long-term residence. Previous studies have also shown that the quality of housing can enhance the sense of long-term value and the appropriateness of housing, and therefore, housing ownership. Howden-Chapman et al. (2023) show that adequate housing contributes to health and well-being, which can draw potential home buyers.

Libya suffers from the quality of housing due to the lack of investment and the deterioration of the political climate. Alameen et al. (2020) reports on the dissatisfaction of Tripoli residents with the structural and other quality elements of housing. Fathalla (2019) supports this by stating that there are many housing units available in Tripoli that do not support the needs of residents. Ammari and Roosli (2024) state that there are sustainable housing development policies in Libya to increase the quality of construction and residential infrastructure. Understanding this relation may show how improvement of housing quality affects the willingness and ability of middle-income households to own a home in the long term. Based on the theories and the evidence outlined above, this study establishes the following hypothesis:

H5: *Housing quality has a significant positive effect on homeownership among middle-income earners in Libya.*

The Mediating Role of Housing Quality

Recently, mediation analysis gained traction in housing research. This is because it can reveal the ways the housing outcomes are affected by the institutional and societal market factors. With older models, the role of social capital in determining homeownership was often overlooked, and it was thought housing policy factors and social capital had a direct effect on homeownership. However, many of the recent models demonstrate that social capital and housing policies affect homeownership through intermediary housing conditions that influence households' perceptions, satisfaction, and their long-term housing decisions. Recent research models have identified housing quality as a key pathway through which external housing conditions affect the housing outcomes.

Housing quality may influence the connection of social capital and homeownership. Stronger social networks and community trust and social norms foster a sense of shared ownership of housing and community, resulting in better upkeep and enhancement of community housing and environs (Akbar et al., 2023; Zhou, 2022).

The impact of housing quality on homeownership is especially applicable to contexts such as Libya. The protracted years of instability of the various housing governance structures and the planning and infrastructure provision systems resulted in poor housing quality (Fathalla, 2019; Al-Kuwari & Akinmoladun, 2021).

Previous studies have examined relationships among housing policy, social capital, housing quality, and homeownership, but relatively few have evaluated Housing Quality as a mediating mechanism linking these factors. Evidence from Libya remains especially limited despite the country's serious housing-quality challenges. Examining mediation can therefore clarify whether institutional and social resources influence middle-income homeownership through changes in perceived housing quality. Using the theoretical frameworks and examples, this paper will put forth the following hypotheses:

H6: *Housing quality mediates the relationship between housing policy factors and homeownership among middle-income earners in Libya.*

H7: *Housing quality mediates the relationship between social capital and homeownership among middle-income earners in Libya.*

METHODOLOGY

This research examines the relationships between Housing Policy Factors, Social Capital, Housing Quality, and Homeownership for middle-income earners residing in Tripoli, Libya. A cross-sectional survey design was used to measure the variables at a single point in time and to analyze the relationships suggested by the hypotheses.

Given the large and growing population demand for housing and Tripoli's position as the largest and only urban center of Libya, it was selected for this study. Since 2011, there have been growing issues of insufficient housing, increasing costs of construction, deterioration of regulatory systems of housing, and deterioration of the quality of housing (Alameen et al., 2020; Al-Kuwari & Akinmoladun, 2021). The study used stratified random sampling to obtain representation from the main occupational and income categories within the target population. A total of 300 questionnaires were distributed over six weeks through online and face-to-face channels. Of these, 240 were returned and 219 complete, usable responses were retained after data screening. Before the main survey, the questionnaire was pilot-tested with 40 respondents to assess clarity and contextual relevance; minor revisions were then made to item wording and order. The instrument was prepared in English and translated into Arabic using a back-translation procedure. Participation was voluntary, informed consent was obtained, no personally identifiable information was collected, and responses were treated confidentially.

The questionnaire measured four latent constructs using items adapted to the Libyan housing context. Housing Policy Factors were initially measured with seven items addressing subsidy and policy support, design, service accessibility, and the regulatory framework. Social Capital was measured with ten items covering trust, social networks, family and community support, loyalty, and shared norms. Housing Quality was measured with sixteen items addressing dwelling condition, infrastructure and services, ventilation, sanitation, and the

surrounding residential environment. Homeownership was initially measured with seven items reflecting ownership orientation, preference, preparedness, and perceived residential stability; following measurement-model assessment, five items were retained. All construct items were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Data were analysed using IBM SPSS Statistics and SmartPLS 4. SPSS was used for data screening, respondent profiling, and descriptive analysis. The PLS-SEM assessment followed two stages. First, the measurement model was evaluated using outer loadings, Cronbach's alpha, composite reliability, average variance extracted (AVE), the Fornell-Larcker criterion, and the heterotrait-monotrait ratio (HTMT). Second, the structural model was assessed using path coefficients, the coefficient of determination (R^2), effect sizes (f^2), predictive relevance ($Q^2_{predict}$), and model fit. Bootstrapping was used to estimate t-values and p-values for the direct and indirect effects. Finally, the specific indirect effects were examined to determine whether Housing Quality mediated the relationships of Housing Policy Factors and Social Capital with Homeownership.

FINDINGS

Response Rate and Respondent Profile

After preliminary analysis, 21 surveys were removed for either incomplete responses or duplications. Analysis was then done on the valid responses of 219 participants or 73.0% of total surveys issued. According to Hair et al., 2017, this amount was sufficient for performing a PLS-SEM analysis.

The demographic results show that 76% male and the largest age group was between 35-44 years, making up 49% of respondents. The sample was 63% married. About 46% of respondents had a Bachelor's degree while 34% had a post-graduate degree. 75% of the sample were Government employees. Over a third (33%) of the sample earned between LYD 2,000-2,999 with 29% of the sample earning LYD 1,000-1,999. Just over half the sample (53%) reported owning their homes, whereas 35% lived in family-owned residences. Almost 62% of the sample had been living in their homes for more than 6 years, and sample was mostly urban (66%), Libyan (98%) and reported having no savings (51%). These demographic breakdowns and characteristics help the analysis of the structural relationships in this study.

Measurement Model Assessment

The measurement model was assessed prior to examining the structural relationships to check the reliability and validity of the latent constructs. In line with the Partial Least Squares Structural Equation Modeling (PLS-SEM) procedure, the measurement model was assessed for the reliability of the indicators, the reliability of the constructs, and the validity of the constructs through outer loadings, Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) (Hair et al., 2017). After the removal of indicators with low loadings, the measurement model was finalized for the improved psychometric properties of the constructs.

The results of reliability and validity of the constructs for the measurement model are provided in Table 1. The outer loadings for the retained indicators ranged from 0.680 to 0.883 for the Housing Policy Factors, from 0.681 to 0.811 for the Social Capital, from 0.538 to 0.805 for the Housing Quality, and from 0.741 to 0.829 for the Homeownership.

The results also indicate that all constructs had adequate internal consistency reliability. We evaluated convergent validity using Average Variance Extracted (AVE). According to Table 1, AVE for all the constructs fell between 0.539 and 0.699, which exceeds the recommended minimum of 0.50. This shows that each of the AVE values explained more than 50% of the variance of their indicators, which is evidence for satisfactory convergent validity.

Table 1. Reliability and Convergent Validity of the Measurement Model

Construct	Number of Items	Cronbach's Alpha	Composite Reliability	AVE
Housing Policy Factors	7	0.929	0.973	0.699

Social Capital	10	0.914	0.917	0.564
Housing Quality	16	0.942	0.943	0.539
Homeownership	5	0.824	0.827	0.587

The HTMT results indicate that all values were below the recommended threshold of 0.90, supporting discriminant validity. The highest value was 0.541 between Housing Quality and Social Capital, indicating a moderate association while remaining well within the accepted threshold. The remaining values ranged from 0.113 to 0.264. These results show that the constructs were empirically distinct and measured conceptually different dimensions of the model.

Structural Model Assessment

Upon the confirmation of reliability and validity of the measurement model, the evaluative capabilities of the model were assessed concerning the power of the model, the prediction of the model, and the significance of the associations among the constructs of the study. In line with the steps of the Partial Least Squares Structural Equation Modeling (PLS-SEM), the evaluative capabilities of the model were considered in relation to the coefficient of determination (R^2), the prediction relevance (Q^2), effect size (f^2), and the significance of the direct structural paths through the bootstrapping procedure (Hair et al., 2017). The evaluation of the model through these criteria tries to explain the prediction of the homeownership model for middle-income earners in Tripoli, Libya.

Table 2 presents the assessment of the predictive and explanatory capabilities of the structural model. The results show that the R^2 of Housing Quality was 0.276 with an adjusted R^2 of 0.266. This result indicates that the Housing Policy Factors and the Social Capital Factors together accounted for 27.6% of the variance of Housing Quality. Regarding Homeownership, an R^2 of 0.135 and an adjusted R^2 of 0.119 were recorded. These results show that the predictor constructs accounted for 13.5% of the variance of homeownership. Housing Quality had a Q^2 value of 0.237 and therefore had moderate predictive capability. Homeownership had a Q^2 value of 0.065, which means Homeownership had low predictive relevance. This shows that the proposed model has a better prediction of Housing Quality than Homeownership, which is consistent with the R^2 values as well.

Table 2. Explanatory Power and Predictive Relevance of the Structural Model

Endogenous Construct	R^2	Adjusted R^2	Q^2
Housing Quality	0.276	0.266	0.237
Homeownership	0.135	0.119	0.065

The effect size is used to see how practically important each of the structural relationships is. Table 3 shows f^2 values of Social Capital that showed the strongest influence on Housing Quality of 0.342, of a medium to large practical effect. These results mean Social Quality of a neighborhood, including trust, social interaction, and community cooperation, helps improve the perception of housing quality. Housing Quality had a small effect on Homeownership of $f^2 = 0.034$. This shows the quality of housing has an effect on a community's possible outcome of improving ownership of housing. There was a noticeable insignificant direct effect of Housing Policy Factors of $f^2 = 0.000$ and Social Capital of $f^2 = 0.003$, on Homeownership. This means these factors explain Homeownership to a very limited extent when considered alone.

Table 3. Effect Size (f^2)

Structural Relationship	f^2	Interpretation
Housing Policy Factors → Homeownership	0.000	Negligible

Social Capital → Homeownership	0.003	Negligible
Social Capital → Housing Quality	0.342	Medium
Housing Quality → Homeownership	0.034	Small

SmartPLS incorporated a bootstrapping method to determine the significance of direct structural relationships. Standardized path coefficients (β), t-values, and p-values were calculated to test each of the proposed hypotheses. The results of direct hypothesis testing with the proposed relationships in the research model are shown in Table 4.

The results indicated that Housing Policy Factors positively and significantly influenced Homeownership ($\beta = 0.202$, $p = 0.001$). Thus, H1 was supported. Social Capital was found that the direct influence of Social Capital on Homeownership was statistically insignificant ($\beta = 0.061$, $p = 0.527$). H2 was thus not supported. Social relationships and social networks of the neighborhoods are not sufficient to influence the decision to own a house.

With regard to Housing Quality, the direct effect of Housing Policy Factors was positive, but statistically insignificant ($\beta = 0.066$, $p = 0.279$). Therefore, H3 was not supported. In contrast, Social Capital positively and significantly influenced Housing Quality and thus, H4 was positively and significantly supported. The result suggests that trust of the neighborhood and social interaction of the community improve the housing quality.

Lastly, there was a positive relationship between Housing Quality and Homeownership ($\beta = 0.202$), but this also fell just outside of statistical significance ($p = 0.055$). Therefore, H5 was not supported. Better housing quality may assist in increasing homeownership, but in the current study, a significant impact was not detected.

Direct effects analysis shows that the proposed conceptual model was supported to some degree. Of the five hypotheses, two were supported (H1 and H4); three hypotheses were not supported (H2, H3, and H5). Thus, the results of this study show that housing policy directs more people to homeownership, while social capital plays a role by raising the quality of housing that is available but not in raising homeownership directly.

Table 4. Direct Hypothesis Testing

Hypothesis	Structural Path	β	p-value	Decision
H1	Housing Policy Factors → Homeownership	0.202	0.001	Supported
H2	Social Capital → Homeownership	0.061	0.527	Not Supported
H3	Housing Policy Factors → Housing Quality	0.066	0.279	Not Supported
H4	Social Capital → Housing Quality	0.511	<0.001	Supported
H5	Housing Quality → Homeownership	0.202	0.055	Not Supported

Mediation Analysis

The mediation analysis is shown in Table 5. The indirect effect of Housing Policy Factors to Homeownership via Housing Quality was positive and significant ($\beta = 0.043$, $p = 0.001$), thus providing evidence for H6. This shows that housing policy provides a pathway to homeownership via the direct provision of housing policy, and the improved housing quality. Improved housing quality is a significant pathway to increased homeownership of middle-income families that is provided by government housing policy. However, in the case of H7, the effects of Social Capital to Homeownership via Housing Quality were positive and not significant ($\beta = 0.103$, $p = 0.064$). Therefore, while enhanced Social Capital improves Housing Quality, this is not sufficient for the effect to be significant to Homeownership for the sample in this study.

The mediation analysis only partially supports the proposed conceptual model. First, Housing Quality significantly mediates the relationship between Housing Policy Factors and Homeownership. Second and conversely, no significant mediating effect was shown for the relationship between Social Capital and Homeownership. The results indicate that the measures to improve Housing Quality can be an essential step to implement Housing Policy to foster Homeownership of the middle-income groups in Tripoli.

Table 5. Summary of Indirect Hypothesis Testing

Hypothesis	Indirect Relationship	β	p-value	Decision
H6	Housing Policy Factors $\rightarrow$ Housing Quality $\rightarrow$ Homeownership	0.043	0.001	Supported
H7	Social Capital $\rightarrow$ Housing Quality $\rightarrow$ Homeownership	0.103	0.064	Not Supported

DISCUSSION

This paper studied how housing policy factors, social capital, housing quality and homeownership are linked among middle-income earners in Tripoli, Libya. With respect to the PLS-SEM analysis., some of the relationships were corroborated. Housing policy factors influenced homeownership with a direct effect of 0.202 and a significant value of 0.001, while social capital did not significantly influence homeownership (with a direct effect of 0.061 and a significant value of 0.527).

The positive relationship between housing policy factors and homeownership corroborates the significance of institutional efforts on housing policy in Libya. Housing policy efforts that include supportive services and regulations and address the challenges associated with greatly constrained formal mortgage services and affordability can influence middle-income housing. These findings reinforce the importance of policy interventions in less institutionalized and financed settings such as post-conflict housing where constrained institutionalized efforts and finances are the main challenges. They support the findings of Al-Kuwari and Akinmoladun (2021) and Balchin and Rhoden (2019), as well as Colburn (2021).

Housing Policy Factors on Homeownership and the role of Housing Quality was analyzed to identify a positive sign and a significant value in the reported indirect effect ($\beta = 0.043$, $p = 0.001$). This finding further supports the conclusion that policies aimed at providing affordable and quality housing should not be mutually exclusive (Schuetz, 2020; Ribeiro, 2024).

Social Capital had no significant impact on Homeownership, but a positive and strong impact on Housing Quality. Social Capital Trust, and social activity, and community cooperation, build safe and well-maintained residential environments. This finding supports Putnam's (2000) theory of Social Capital and Zhou's (2022) Social Connectedness Theory of positive residential environments and neighborhood satisfaction.

Of great importance, social capital does not resolve difficulties of high housing prices, limited government-funded housing, restricted access to affordable credit, uncertainty concerning land, and vulnerability in formal policies of housing. This finding corroborates the view that social capital does not improve the outcome of formal tenure (Akbar et al, 2023).

Positive, though non-significant at the 5% level, was the relationship between Housing Quality and Homeownership ($\beta = 0.202$, $p = 0.055$). Although the result cannot be fully interpreted as evidence of zero value, this study cannot firmly establish a direct effect. In the case of Libya, there are potentially stronger constraints on the decision to own a home, these being affordability, access to finance, supply of housing, and the supporting institutions. Although households may value adequate housing, persistent financial and market barriers may prevent the conversion of preference to ownership (Omar et al., 2020, Alameen et al., 2020).

Practically, the findings favor housing policies combining flexibility in affordability with effective regulation, provision of necessary infrastructure, and adherence to adequate housing standards. Enhanced community

engagement tends to improve the quality of Housing. However, greater financial and structural means are necessary to bulk up Homeownership. Therefore, the government should focus on affordable housing finance, smartly constructed subsidies, and other proactive steps to deliver safe and adequate housing to the middle-income segment of the population in Tripoli.

CONCLUSION

This research examined the case of mid-income earners in Tripoli, Libya, in determining the impacts of Housing Policy Factors, Social Capital, and Housing Quality on the likelihood of Homeownership, using the PLS-SEM.

The results show that Housing Policy Factors are the most pressing concern and have a significant direct and indirect effect on Housing Quality. The results show the need for the Middle-Income Housing Subsidy and Housing Policy Support in order to achieve Housing Policy Integration. A contrast to this is the Social Capital, which, though it significantly improved the Housing Quality, had no direct or indirect impact on the Homeownership, suggesting that community relationships alone are not sufficient to eradicate the barriers of housing affordability, limited housing finance, and other market constraints. Additionally, the Housing Quality showed a positive but insignificant direct effect on Homeownership, showing that the Quality of Housing is important but has limited impact in the current Housing Market.

This study contributes to housing literature by recognizing the mediating role of Housing Quality in the context of housing policy and homeownership, thus providing a more elaborate account of the homeownership choices of middle-income households.

Developing housing policies that incorporate safe, adequate, and affordable housing, and investing in housing infrastructure and social services, would improve the sustainable housing policy outcome of increased homeownership. Enhancing the institutional infrastructure and widening the availability of housing finance will be of primary concern in addressing housing in Libya.

This study acknowledges the limitations it presents. This study also maintains that, for the case of middle-income households, sustainable homeownership is a function of the combination of the housing policies, housing quality, and the institutions. Convergence of the policies, quality, and institutions will provide sustainable and exclusive housing development in Libya.

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