

# The Influence of Wai Sha Feng Shui Factors on the Housing Price and House Buyers

Chih-Peng Chang<sup>a\*</sup>, Chiou-Mien Lin<sup>b</sup>

<sup>a</sup>National Taipei University , 6F., No.85, Guoji 2nd St., San Shia Dist., New Taipei City 23741, Taiwan, New Taipei City, Taiwan

<sup>b</sup>National Taipei University , 151, University Rd., San Shia Dist., New Taipei City 23741, Taiwan, New Taipei City, Taiwan

\*Corresponding author's email: ponpong888 [AT] gmail.com

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**ABSTRACT---** *The price of house is a very important reference factor during purchasing a house. And it is influenced by diverse factors. In Asia Feng Shui is one of the significant effect factors and there are many researches indicate that it influences the housing price truly. However there are many species in Feng Shui, the Feng Shui of residence is mainly decided by outer negative energy that called “Wai Sha”, it means that the negative energy is born from the outside facilities around house such as buildings, roads or public facilities. Therefore, this study would like to use the Wai Shia Feng Shui as the spindle to discuss the influence of Feng Shui on housing price and house buyers. The results of literature reviews find that Feng Shui influences housing price significantly. Second there are eleven Wai Sha factors that general house buyers taboo such as the Lu Chong, the Dead End Alley, the Electricity-Related Infrastructure and Haunted House etc. Finally, Wai Sha reduces the degree of housing price about 10%.*

**Keywords---** Feng Shui, Wai Sha, Housing Price

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## 1. INTRODUCTION

Purchasing a house is one of important things in our life. Because house is a high consumption product and purchasing it must spend much more money or bank deposit. Therefore, it causes housing price becoming the first consideration factor when purchasing a house. But there are divers effect factors to affect the housing price, besides the normal factors such as housing area, building age, location etc. In Asia Feng Shui is also a significant consideration factor on the housing price (Shiu, Sheng-Yi et al., 2012).

However Feng Shui is quite subjective, people who believe it to believe firmly without any doubt and trust living in the house of better Feng Shui would become more health or lucky. But the unbelievers treat Feng Shui with contempt and think it is so superstition and nonsense. Then in the real estate appraisal, Lin, Chiou-Mien (2007) said that Feng Shui would influence the appraisers when estimated the real estate prices, then make the prices be fluctuation. Obviously Feng Shui is so subjective and depends on people who believe or not. Therefore, whether Feng Shui influences the housing price significant or not, has yet to be verified.

Besides, the definition of Feng Shui is quite diverse and there are many species in it. But lots of studies indicated that the Feng Shui of residence is mainly decided by outer negative energy that called “Wai Sha”. It means that the negative energy is born from the outside facilities around the residence such as buildings, roads or public facilities (Hsieh, Yung-Jin, 2005).

So this study would like to use Wai Sha as the research spindle to discuss the influence on the housing price, and further generalizes the Wai Sha types that general house buyers taboo, investigates the descending degree of housing price at the same time. In order to make the effect information of housing price get more transparency and provide as appraisal reference basis for people who appraise real estate valuation.

## 2. MAIN BODY

### 2.1 WHAT IS WAI SHA FENG SHUI

There are many species in Feng Shui. However influencing housing price on Feng Shui is mainly decided by that whether the “Sha Chi” exists around the residence or not. Because Sha Chi is a negative energy, when it hits the house would produce a certain kind of effect on the occupants of the residence (Hsieh, Yung-Jin, 2005). Furthermore, the experts of geomancy also depend on Sha Chi to verify the residence is good or bad (Wang, Yu-De, 2005).

So Sha Chi is the main effect factor that decides the influence of Feng Shui on housing price, and there are two types in Sha Chi including “Wai Sha” and “Nei Sha”. Wai Sha means an outer negative energy that is born from outside facilities such as mountains, roads, buildings or public infrastructure around the residence and produces effect on residence. Nei Sha means an inner negative energy that is born from internal construction of the house such as the layouts, the dividers, the interior decoration or the displays and also produces effect on residence. However Nei Sha would be improved by interior decorating or adjusting the furnishings. The impact of it is much easier being improved than Wai Sha, because the components of Wai Sha such as buildings or roads, the position are hard to be changed (Hsieh, Yung-Jin, 2005). Therefore, this study uses the Wai Sha of Sha Chi to discuss the influence on the housing price.

Moreover, Lin, Chu-Chia and Ma, Yu-Jyun (2009) indicated that there are much more public infrastructures also belonged part of negative Feng Shui. Such as crematorium, landfill, airport etc. because those infrastructures would affect the residential environment. And Huang, Kan-Chung (2012) also indicated it in a scientific point of view. So the Wai Sha factors of this study also includes the Wai Sha of facilities to discuss that the influence of Feng Shui on housing price.

## **2.2 THE INFLUENCE OF FENG SHUI ON HOUSING PRICE**

In the literatures of the influence of Feng Shui on housing price, Bourassa and Peng (1999) used the residential sales transactions from 1986s to 1996s in Auckland, New Zealand, with a relatively high percentage of Chinese households to analyze whether the housing price were affected by lucky and unlucky numbers. The results demonstrated that lucky and unlucky numbers were significant impact on purchasing a house. And Chinese householders would avoid choosing any house that involving the street number with four because four sounds like the word for “death” in Chinese but willing to choose the street number with lucky numbers such as three, six, eight, nine because those numbers sounds like good meanings in Chinese. Moreover, the housing price of a house with lucky numbers was higher 2.4% than without lucky numbers and further indicated that people who don’t believe Feng Shui also purchased a house with lucky numbers that for selling easily in the future.

Tam et al. (1999) picked a case study in 1996s Tai Po New Town, Hong Kong within fifteen villages totally 3400 residential data for research subject. And selected Feng Shui, Accessibility, Building age three significant independent variables with relatively high on housing price that discussed the correlation between each variables. The results demonstrated that the correlation between Feng Shui and Housing price is the highest, because Feng Shui is an important reference factor in Chinese minds. Moreover, the study also said that the correlation between Feng Shui and Building age is significant, when areas with better Feng Shui will have much more young buildings. But there is insignificant correlation between Feng Shui and Accessibility.

And in the literatures of the influence of Wai Sha on the prices of real estate that Chen, Shu-Hui (2005) used the method of hedonic to investigate the effect of Lu Chung factor on land prices in Taichung, Taiwan. The study said that Lu Chung would produce intangible impacts to influence the health, wealth and lucky of the land buyers and caused the land prices to decline 10%-14%. And the study further demonstrated that increased in extent of Lu Chung, then the land prices decreased obviously.

Lin, Chiou-Mien (2007) said that house buyer made decisions of purchasing a house and real estate appraisal staff made the price decisions would be influenced by seven Feng Shui factors, including Lu Chung, the dead end alley etc. and those factors would make the estimated price decline about 10%.

Tu, Ya-Jhen (2008) used twenty-one countries residential sales transactions are from 2002s to 2007s in Taiwan. And estimated the impacts of Feng Shui factors on housing price, including Lu Chung, being near a shrine, a temple and a viaduct etc., the results demonstrated that all of Feng Shui factors were significant impact and had 3.5%-8.4% decline on housing price but Lu Chung. Among them, being near the funeral related facilities influence housing price the most violent, and further said that those factors impacted the degree of price of the higher price areas more.

Lin, Chu-Chia and Huang, Li-Jung (2014) also used the same data and method to estimated the impact of unwanted Feng Shui on prices of commercial real estate in Taiwan. They found that there were four factors of unwanted Feng Shui influenced significantly on prices of commercial real estate, including Lu Chung, being near a viaduct, a shrine and a temple. And further indicated that Lu Chung had a violent price impact on stores, offices and other commercial real estate obviously.

Moreover, among the literatures of the influence of Wai Sha of facilities on housing price that Lin, Chu-Chia and Ma, Yu-Jyun (2009) used the data of loan set from one of private banks in Taiwan to analyze the influence of eighteen unwanted facilities on the prices of commercial real estate, including being near a funeral home, a high-voltage tower etc. The results indicated that the factors of unwanted facilities influenced the residential behavior and business activities significantly and caused the prices of commercial real estate declined obviously.

Yang, Chung-Hsien and Su, Shing-Huei (2011) discussed the influence of the five NIMBY (Not-In-My-Back-Yard) facilities on housing price in Taipei city, including a funeral home, a high-voltage tower and a garbage incinerator etc., the results said that when the distance of NIMBY facilities are far more, then the housing price rises more. Among them the funeral home is the most violent impact on housing price and when it was away from 100 meters then per average housing price increased 0.78%.

Lin, Hong-Mow (2012) also discussed the influence of NIMBY facilities on housing price in Chayi County. The study first used the method of questionnaire to generalize the factors of people tabooed, and results demonstrated the funeral related is the most violent influence, followed by the electricity-related infrastructures, gas station, temples, hospitals. And all of the factors influenced the housing price negatively besides the influence of temples. When residence closer to the gas station per meter then the price drops NT440 per level ground, the price drops NT140 per level ground when closer to electricity-related infrastructures and NT190 per level ground for hospitals. According to the above discussions we find that the Wai Sha and the Wai Sha of facilities influence real state prices is very significant.

**2.3 THE TYPES OF WAI SHA FENG SHUI**

This study would like to discuss the literatures, including the influence of it on housing price, the decision-making of house purchasing and the cognitive degree of Wai Sha Feng Shui to generalize the Wai Sha Feng Shui types that house buyers taboo.

In addition to the above discussion, there are lots of literatures also discussed the influence of Feng Shui on the consumer decision-making of house purchasing. Bai, Jin-An et al. (2004) selected some facilities around the residence, including buildings or roads, as a criterion and by interviewing the experts of Feng Shui and real estate to discuss what kind of Wai Sha that house buyers tabooed in Kaohsiung and Pingtung. They generalized eleven effect factors, including Lu Chung, the Dead End Alley, a viaduct etc., and all of them are significant impact on decision-making of house purchasing besides a old building sandwiched between new buildings.

And in the literatures of cognitive of Feng Shui, the study said that there are two types in the cognitive of Feng Shui. One is the cognitive of traditional Wai Sha such as Lu Chung or Scissors Sha etc., and the other is Wai Sha of facilities such as a viaduct or a high-voltage tower. And the study generalized sixteen traditional Wai Sha factors, including the Wall Blade Sha, Yin Xie Sha, etc., and seven Wai Sha of facilities factors, including gas station, a viaduct and a high-voltage tower etc. to discuss that the Feng Shui how to influence the resistance of house purchasing. And the study further indicated that the most common cognition of people is the factors of Lu Chung and the dead end alley, and the cognition of Wai Sha of facilities is moderate (Huang, Kan-Chung, 2012).

Therefore the Wai Sha Feng Shui is a significant effect factor on housing price, consumer decision-making of house purchasing and the cognitive of people.

Although there are seven types of Wai Sha of facilities, including funeral related, electricity-related infrastructures, dangerous public facilities, garbage incinerator, the area of noise pollution, porn industry and hospitals that people more taboo in the literatures, but in order to avoid being excessive divergence, so this study choose the factors of Wai Sha of facilities to be the subject of discussion, just including hospitals, funeral related such as a funeral home, a shrine or cemetery, and the electricity-related infrastructures such as a high-voltage tower, because those are high correlation with Wai Sha. Besides, there is one more factor that not discuss often in the above literatures but the influence on housing price is more significant that is Haunted House that means the unnatural dead events occur in or around the residence and make people have psychological impact and stress. Although it was discussed less in the literatures but this study would like to generalize it, because according to the above discussion, we find that people taboo the most factor is the funeral related, even the Haunted House. The types of Wai Sha Feng Shui in table 1.

Table 1: Definition of factors of Wai Sha

		Definition
The types of Wai Sha Feng Shui	Dead End Alley	The house situating at the tip of an alley or lane where it ends right at the front the house.
	Electricity- Related Infrastructures	A high-voltage tower or power transformer around the residence.
	Haunted House	The unnatural dead events occur in or around the residence.
	Lu Chung	When a road or thoroughfare heads directly towards any of four sides or eight corners of a residence.

Reversed Bow Sha	The house situated outside of an arching road or river, the shape looks like a bow directed towards the house.
Scissors Sha	The front door of house facing a Y-road and the road faced is shaped like a pair of scissors, the house looks like sitting at the mouth of a pair of scissors.
Tian Jan Sha	The front door of house facing the narrow alley of two buildings.
Wall Blade Sha	One side of a house directly or obliquely faces the side of the wall of another house, it looks like a knifstabbinginto the house.
Ya Ding Sha	The tall buildings are in back of the residence.
Yao Jan Sha	The house is closer to a viaduct or anoverpass; it looks like a long sword crosscutting the house.
Yin Xie Sha	The house is closer to temples, shrines, cemetery, funeral home or hospitals.

### 3.CONCLUSION

The results of literature reviews find that:

1. The influence of Wai Sha Feng Shui on housing price, the decision-making of house purchasing and the cognitive degree of Wai Sha Feng Shui are highly significant and house buyers always avoid buying a house within Wai Sha Feng Shui or demanding the sellers to decline the housing price.
2. There are eleven types factors of Wai Sha Feng Shui that the real state buyers taboo, including the Dead End Alley, the Electricity- Related Infrastructures, the Haunted House, the Lu Chung, the Reversed Bow Sha, the Scissors Sha, the Tian Jan Sha, the Wall Blade Sha, the Ya Ding Sha, the Yao Jan Sha and the Yin Xie Sha.
3. The influences of Wai Sha Feng Shui on real estate prices are different, in the housing prices that decline the degree about 10%, in the commercial real estate prices that decline the degree are from 4.3% to 24.2% and in the land prices that decline the degree are from 10% to 14%. Moreover, when the factor is different then the degree of the influence of prices is difference.

Finally, this paper is just a part of my complete study,after that I will use the method of CVM(Contingent Valuation Method)that is using a rigorous questionnaire to discuss the influence of eleven Wai Sha Feng Shui factors on housing price and the descending degree of price.

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