THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS HOUSING PRICES IN MALAYSIA

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DECEMBER 2015
I, NURUL AIN BINTI YAAKOB, (I/C Number: 920121-05-5238)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: ___________________________ Date: ___________________________
LETTER OF TRANSMITAL

December 2015

Madam Zunaidah Binti Abu Hasan,

Bachelor of Business Administration (Hons) Finance,

Faculty of Business Management,

Universiti Teknologi MARA, Melaka City Campus,

110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title “THE RELATIONSHIP BETWEEN MACROECONOMIC FACTORS TOWARDS HOUSING PRICE IN MALAYSIA” to fulfill the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You,

Sincerely,

NURUL AIN BINTI YAAKOB

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Bachelor of Business Administration (Hons) Finance
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ABSTRACT

This main purpose of this study is to examine the relationship between macroeconomic variables towards housing price in Malaysia. This paper examines empirically whether the increasing trend in the Malaysian housing price is related to changes in Gross Domestic Product (GDP), inflation rate and unemployment rate. Over the past few years, the house price of Malaysia has experienced significant price expansion. The study explores the relationship between the house price and the independent variables for 15 years starting Q1 2000 to Q3 2014 using 60 secondary data of each variables. In the process of findings there are few types of analysis were tested using Eviews Version 7.0, such as simple linear regression analysis. The result indicates that there are significantly related to house price. The paper is useful for investors, speculators, policies makers and buyers to know which factors to account for in housing investment decision. This paper can also serve as a guide for the government in stabilizing the residential housing price in Malaysia.

Keywords: housing price, GDP, inflation, unemployment, Malaysia